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Alaska Project Collection

1938-1939

Archives

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JÜDISCHE RUNDschau

BERLIN

כ"ח תמוז תרצ"ח

FREITAG, 29. APRIL 1938

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 Nr. 5 vom 1. April 1936. Die zwölfspeitige mm-Zeile 20 Rpf. für Familien-
 Nachrichten 15 Rpf. Keine Gewähr für Aufnahme von Anzeigen in bestimmten
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 Annahmestunde für die Dienstag-Ausgabe Montag 10 Uhr, für die Freitag-Ausgabe
 Mittwoch 15 Uhr. Familien-Anzeigen am Tag vor Erscheinen 16 Uhr

Der Zionismus erstrebt für das jüdische Volk die Schaffung einer öffentlichen-rechtlich gesicherten Heimstätte in Palästina. (Baseler Programm)

Jüdisches Vermögen anmeldepflichtig

Veräußerungsgeschäfte mit Juden genehmigungspflichtig
 Genehmigungspflicht für neue jüdische Gewerbebetriebe

Der Wortlaut der Verordnungen

Im Reichsgesetzblatt vom 26. April 1938 wurde durch den
 Beauftragten für den Vierjahresplan eine Verordnung
 über die Anmeldung des Vermögens von Juden
 veröffentlicht. Danach wird auf Grund der Verordnung zur
 Durchführung des Vierjahresplans vom 18. Oktober 1936
 folgendes verordnet:

§ 1
 (1) Jeder Jude (§ 5 der ersten Verordnung zum Reichs-
 bürgergesetz vom 14. November 1935 (Reichsgesetzblatt I
 S. 1333)) hat sein gesamtes in- und ausländisches
 Vermögen nach dem Stande vom Tage des Inkrafttretens
 dieser Verordnung gemäß den folgenden Bestimmungen an-
 zuzeigen und zu bewerten. Juden fremder Staats-
 angehörigkeit haben nur ihr inländisches Vermögen anzu-
 zeigen und zu bewerten.

(2) Die Anmelde- und Bewertungspflicht trifft auch auf
 den nichtjüdischen Ehegatten eines Juden.

(3) Für jede anmeldepflichtige Person ist das Ver-
 mögen getrennt anzugeben.

§ 2
 (1) Das Vermögen im Sinne dieser Verordnung umfasst
 das gesamte Vermögen des Anmeldepflichtigen ohne Rück-
 sicht darauf, ob es von irgendeiner Steuer befreit ist oder
 nicht.

(2) Zum Vermögen gehören nicht bewegliche Gegen-
 stände, die ausschließlich zum persönlichen Gebrauch des
 Anmeldepflichtigen bestimmt sind, und der Hausrat, soweit
 sie nicht Luxusgegenstände sind.

§ 3
 (1) Jeder Vermögensbestandteil ist in der Anmeldung mit
 dem gemeinen Wert anzusetzen, den er am Tage des In-
 krafttretens dieser Verordnung hat.

(2) Die Anmeldepflicht entfällt, wenn der Gesamt-
 wert des anmeldepflichtigen Vermögens ohne Berücksich-
 tigung der Verbindlichkeiten 5000 RM. nicht übersteigt.

§ 4
 Die Anmeldung ist unter Benutzung eines amtlichen
 Musters bis zum 30. Juni 1938 bei der für den Wohnsitz
 des Anmeldenden zuständigen höheren Verwaltungsbehörde
 abzugeben. Wenn im Einzelfall aus besonderen Gründen eine
 vollständige Anmeldung und Bewertung des Vermögens bis
 zu diesem Tage nicht möglich ist, so kann die höhere Ver-
 waltungsbehörde die Anmeldefrist verlängern; in diesem Falle
 ist jedoch bis zum 30. Juni 1938 unter Angabe der Hinderungs-
 gründe das Vermögen schätzungsweise anzugeben und zu
 bewerten.

§ 5
 (1) Der Anmeldepflichtige hat der höheren Verwaltungs-
 behörde unverzüglich jede Veränderung (Erhö-
 hung oder Verminderung) seines Vermögens
 anzuzeigen, die nach dem Inkrafttreten der Verordnung

eintritt, sofern die Vermögensveränderung über den Rahmen
 einer angemessenen Lebensführung oder des regelmäßigen
 Geschäftsverkehrs hinausgeht.

(2) Die Anzeigepflicht gilt auch für diejenigen Juden, die
 beim Inkrafttreten der Verordnung nicht zur Anmeldung und
 Bewertung verpflichtet sind, aber nach diesem Zeitpunkt
 Vermögen im Werte von mehr als 5000 RM. erwerben. § 1
 Abs. 1 Satz 2, Abs. 2 und 3 gelten entsprechend.

§ 6
 (1) Höhere Verwaltungsbehörde im Sinne dieser Verord-
 nung ist in Preußen der Regierungspräsident (in Berlin der
 Polizeipräsident), in Bayern der Regierungspräsident, in
 Sachsen der Kreishauptmann, in Württemberg der Minister
 des Innern, in Baden der Minister des Innern, in Thüringen
 der Reichsstatthalter (Ministerium des Innern), in Hessen der
 Reichsstatthalter (Landesregierung), in Hamburg der Reichs-
 statthalter, in Mecklenburg das Staatsministerium, Abt. Inneres,
 in Oldenburg der Minister des Innern, in Braunschweig das
 Ministerium des Innern, in Bremen der Senator für die innere
 Verwaltung, in Anhalt das Staatsministerium, Abt. Inneres,
 in Lippe der Reichsstatthalter (Landesregierung), in Schaum-
 burg-Lippe die Landesregierung, im Saarland der Reichskom-
 missar für das Saarland.

(2) In Österreich tritt an die Stelle der höheren Ver-
 waltungsbehörde der Reichsstatthalter (Landesregierung). Er
 kann seine Befugnisse aus dieser Verordnung auf andere Stellen
 übertragen.

§ 7
 Der Beauftragte für den Vierjahresplan kann die Maß-
 nahmen treffen, die notwendig sind, um den Einsatz
 des anmeldepflichtigen Vermögens im Ein-
 klang mit den Belangen der deutschen Wirt-
 schaft sicherzustellen.

§ 8
 (1) Wer vorsätzlich oder fahrlässig die nach den vor-
 stehenden Vorschriften bestehende Anmelde-, Bewertungs- oder
 Anzeigepflicht nicht, richtig oder nicht rechtzeitig erfüllt
 oder einer auf Grund des § 7 erlassenen Anordnung zuwider-
 handelt, wird mit Gefängnis und mit Geldstrafe oder mit
 einer dieser Strafen bestraft; in besonders schweren Fällen
 vorsätzlicher Zuwiderhandlungen kann auf Zuchthaus bis
 zu 10 Jahren erkannt werden.

Der Täter ist auch strafbar, wenn er die Tat im Ausland
 begangen hat.

(2) Der Versuch ist strafbar.

(3) Neben der Strafe aus Abs. 1 und 2 kann auf Ein-
 ziehung des Vermögens erkannt werden, soweit es
 Gegenstand der strafbaren Handlung war; neben der Zucht-
 hausstrafe ist auf Einziehung zu erkennen. Kann keine be-
 stimmte Person verfolgt oder verurteilt werden, so kann auf
 Einziehung auch selbständig erkannt werden, wenn im übrigen
 die Voraussetzungen für die Einziehung vorliegen.

§ 9
 gehen, daß dies geschehen ist und in welchem Sinne die
 Frage beantwortet worden ist.

§ 10
 Einen Nachweis dafür, daß eine Genehmigung nach
 dieser Anordnung nicht erforderlich ist, hat die Grundbuch-
 behörde zu fordern, wenn nach ihrem Erachtens begründeter
 Anlaß zu der Annahme besteht, daß die Voraussetzungen
 für die Anwendung dieser Anordnung gegeben sind.

§ 11
 (1) Ist im Grundbuch ohne Genehmigung eine Rechts-
 änderung eingetragen, so hat die Grundbuchbehörde auf
 Ersuchen der Genehmigungsbehörde einen Widerspruch ein-
 zufragen, wenn diese annimmt, daß die Genehmigung nach
 § 1 oder § 2 erforderlich ist; die Vorschriften über die
 selbständige Eintragung eines Widerspruchs durch die Grund-
 buchbehörde (§ 53 Abs. 1 der Grundbuchordnung) bleiben
 unberührt.

(2) Ein nach Abs. 1 eingetragener Widerspruch ist zu
 löschen, wenn die Genehmigungsbehörde darum ersucht oder
 wenn die Genehmigung erteilt ist.

(3) Dies gilt sinngemäß für das Land Österreich.

Artikel II

§ 12
 Die Neueröffnung eines jüdischen Gewerbebetriebs oder
 der Zweigniederlassung eines jüdischen Gewerbebetriebs be-
 darf der Genehmigung.

§ 13
 Die Genehmigung ist von dem zu beantragen, der den
 Gewerbebetrieb oder die Zweigniederlassung zu eröffnen
 beabsichtigt.

Artikel III

§ 14
 (1) Ueber den Antrag auf Genehmigung entscheidet die
 höhere Verwaltungsbehörde.

(2) Zuständig ist die höhere Verwaltungsbehörde, in
 deren Bezirk

1. im Falle des § 1 der Betrieb belegen ist,
2. im Falle des § 7 der Betrieb oder die Zweignieder-
 lassung eröffnet werden soll.

(3) In Zweifelsfällen wird die zuständige höhere Ver-
 waltungsbehörde durch den Reichswirtschaftsminister be-
 stimmt.

§ 15
 Wird die Genehmigung versagt, so steht dem Antrag-
 steller binnen zwei Wochen seit der Bekanntgabe der Ent-
 scheidung an ihn die Beschwerde an den Reichs-
 wirtschaftsminister zu. Die Entscheidung des Reichs-
 wirtschaftsministers kann nicht angefochten werden.

§ 16
 Wer vorsätzlich oder fahrlässig ohne die erforderliche
 Genehmigung 1. einen gewerblichen, land- oder forstwirt-
 schaftlichen Betrieb übernimmt oder behält oder einem an-
 deren überläßt oder beläßt oder 2. einen jüdischen Ge-
 werbebetrieb oder die Zweigniederlassung eines solchen Be-
 triebs eröffnet, wird nach § 8 der Verordnung über die
 Anmeldung des Vermögens von Juden vom 26. April 1938
 (Reichsgesetzbl. I S. 414) bestraft.

§ 17
 Diese Anordnung tritt mit dem auf die Verkündung
 folgenden Tag in Kraft.

§ 18
 Die beiden Verordnungen, deren Text wir vorstehend

abgegeben haben, sind von erheblicher Bedeutung für
 das wirtschaftliche Leben der Juden im Gebiet des Deutschen
 Reiches. Bereits vor einigen Tagen war eine in diesem Zu-
 sammenhange wichtige Verordnung ergangen, nämlich die
 Verordnung gegen die Unterstützung der Tarnung jüdischer
 Gewerbebetriebe vom 22. April, über die wir in der vorigen
 Nummer berichteten. Die jetzt erlassenen Anordnungen gehen
 auf die Maßnahmen im Zuge des österreichischen
 Wirtschaftsaufbaus zurück. Die Anmeldepflicht für
 jüdisches Vermögen und die Bestimmung, daß der Einsatz
 des anmeldepflichtigen Vermögens im Einklang mit den Belan-
 gen der deutschen Wirtschaft sichergestellt werden kann, stellt
 eine für die Juden in Deutschland außerordentlich bedeu-
 tungsreiche Maßnahme dar. Von nicht geringerer Bedeutung ist
 neben der jetzt eingeführten Genehmigungspflicht für die
 Neueröffnung jüdischer Gewerbebetriebe die
 Anordnung über die Genehmigungspflicht bei der Ver-
 äußerung oder Verpachtung von Betrieben,
 falls Juden als Vertragspartner beteiligt sind.

Ueber den Inhalt der Verordnungen geben wir nach-
 stehend eine systematische Übersicht:

Die Verordnung über die Anmeldung des Vermögens
 von Juden enthält eine Anmelde- und eine Bewertungs-
 pflicht, ferner eine Anzeigepflicht, und eine Anzeigepflicht
 und sieht außerdem Maßnahmen vor, die den Ein-
 satz des anmeldepflichtigen Vermögens sicher-
 stellen sollen.

Der Kreis der anmeldepflichtigen Perso-
 nen besteht aus Juden im Sinne der ersten Verordnung
 zum Reichsbürgergesetz; dabei wird hinsichtlich der An-
 meldepflichtigkeit an sich ein Unterschied zwischen Ju-
 den deutscher und fremder Staatsangehörig-
 keit nicht gemacht, lediglich der Umfang des anmelde-
 pflichtigen Vermögens für Juden fremder Staatsangehörigkeit
 ist eingeschränkt (§ 1 Abs. 1). Die Anmeldepflichtigkeit
 erstreckt sich außerdem auf nichtjüdische Ehe-
 gatten eines Juden.

Sachlich setzt die Anmelde- und Bewertungspflicht
 ein bestimmtes Vermögen voraus. Die Verpflichtung
 entfällt nämlich, wenn der Gesamtwert des anmeldepflichtigen
 Vermögens ohne Berücksichtigung der Verbindlichkeiten
 5000 RM. nicht übersteigt (§ 3, Abs. 2 VO.). Als anmelde-
 pflichtiges Vermögen kommt bei Juden deutscher Staats-
 angehörigkeit das gesamte in- und ausländische Vermögen,
 bei Juden fremder Staatsangehörigkeit nur das gesamte inlän-
 dische Vermögen in Betracht. Verpflichtungen irgendeiner
 Art sind nicht abzuziehen; auch steuerliche Freibeträge oder

Erster Heberblick

Das ungarische Judengesetz wurde von den ver-
 einigten Parlamentsausschüssen fast unverändert ange-
 nommen.

In Frankreich steht der Erlass eines neuen Fremden-
 gesetzes bevor.

Die neue Kommission traf am 27. April in Palästina
 ein.

In den letzten Tagen fielen dem innerarabischen
 Terror eine Reihe von Arabern zum Opfer.

Toscanini gab sein letztes Konzert in Jerusalem. High
 Commissioner Sir Harold MacMichael war dabei
 anwesend.

Das ungarische Judengesetz

Von den Ausschüssen fast unverändert angenommen

Budapest, 26. April

Nach Abschluß der zweitägigen Judenabende ergriff heute der Ministerpräsident Dr. Darányi das Wort, um nochmals die allgemeinen Prinzipien der Vorlage zu klären, während auf die juristischen und volkswirtschaftlichen Einwände Justizminister Mikecz und Wirtschaftsminister Imrédy die Antwort erteilten.

Vor allem verwahrte sich der Regierungschef gegen die Vorwürfe des Grafen Bethlen, Zweck des Judengesetzes sei es eben, die Judenfrage, deren Vorhandensein und Wesen schon vor einem Jahre in Szeged verkündet hat, einer evolutionären Lösung zuzuführen. Auf die Angriffe mehrerer Redner, der Gesetzentwurf verletze die Verfassung, vor allem die Rechtsgleichheit der Juden, die im Emanzipationsgesetzartikel vom Jahre 1867 kodifiziert sei, antwortete der Ministerpräsident mit der Erklärung, die großen Prinzipien müßten in ihrem Wesen, aber nicht formell aufrechterhalten werden. Wenn die Regierung gleiche Voraussetzungen für die Lebensmöglichkeiten aller Gesellschaftsschichten schafft, so werden dadurch die gesetzlich gewährleisteten Rechte der Juden bezüglich der Ausübung ihrer bürgerlichen und politischen Rechte nicht beeinträchtigt. Den Vorwürfen von der anderen Seite, die 20 % seien eine zu große Konzession an das Judentum, müsse er mit der Erklärung begegnen: in öffentlichen Diensten, bei Komitat und Gemeinden, beim Militär, bei den christlichen Unternehmungen, Genossenschaften u. dgl. befänden sich fast gar keine Juden, so daß diese Verhältnisse sich ausgleiche. Im übrigen sei wirklich nicht die Hauptsache, daß die christliche Jugend einige tausend kleine Beamtenstellen bekomme, ihr müsse Gelegenheit geboten werden, daß sie sich in die Leitung des kommerziellen Lebens hineinbringe, um auch an den Gehältern und Einkommen mit 80 % zu partizipieren. Das Judentum machte der Ministerpräsident wiederholt darauf aufmerksam, daß die Vorlage auch ein Interesse fördere, indem es den Angriffen den Wind aus den Segeln nehme; deshalb erwarte er auch von der Judenheit, daß sie wieder zum Mittel des Boykotts noch der Sabotage greifen werde, denn das würde ein friedliches Zusammenleben mit dem ungarischen Volkswort endgültig unmöglich machen.

Justizminister Dr. Mikecz begann seine Ausführungen damit, daß die Regierung sich weder bei den Bestimmungen, noch beim Motiven der Vorlage auf nur vom leichten Schatten des Hasses habe leiten lassen, aber die Lage, die auf manchen Gebieten heute bestehe, sei alles andere als ein Zustand des Gleichgewichtes. Wohl sei es wahr, daß das Ungarum seinerzeit im Wirtschaftsleben nicht mit solchem Gewicht erschienen sei, wie es die Interessen des Landes erforderte hätten, doch dies hätte eigene historische und ökonomische Ursachen; das bestehende Mißverhältnis müsse

aber beseitigt werden. Die Vorlage schmilere nicht die Möglichkeit, daß die Juden irgendeine Position einnehmen, doch will sie es nicht zulassen, daß sie alle Positionen einnehmen. Das Prinzip der Rechtsgleichheit sei im Laufe der Zeiten, auch nach 1867 wiederholt eingeschränkt worden, denn z. B. auch das Handelsgesetz oder Wechselrecht, Siedlungsgesetz, Planwirtschaft bedeuten ein privilegiertes Recht. Die Judenheit sei ein von den übrigen Schichten der ungarischen Bevölkerung in gewissem Sinne abweichendes Volkselement, das nicht einfach als einheitliche Masse angesehen werden kann.

Wirtschaftsminister Dr. Béla von Imrédy beschränkte sich auf die Wiederholung der von manchen Rednern ausgesprochenen Auffassung, als ob die Vorlage, die die Sicherstellung des Gleichgewichtes im sozialen und Wirtschaftsleben anstrebe, dieses Gleichgewicht eher gestört hätte und so die Durchführung des ungarischen Fünfjahresplanes gefährde.

In der Spezialdebatte wurden sämtliche Beschlüsse der Vorlage bezweckten, abgelehnt, hingegen dürfte das vom Abg. Arvátalvy-Nagy empfohlene und vom Referenten vorgelegte Amendement, laut dem auch die Kinder der Kriegsbefehlshaber und Frontkämpfer derselben Bestimmung teilhaftig werden wie die Eltern, in der Schlussitzung der Ausschüsse zur Annahme gelangen. Interessant war die Antwort, die Justizminister Mikecz auf die Anfrage des Abg. Rassy erteilte, wie es sich mit den Kindern solcher Eltern verhalte, die sich nach 1919 taufen ließen. „Sie sind christliche Juden. Wer einmal getauft ist, ist ein Christ; allein dadurch werden die Bestimmungen dieses Gesetzes, die ja nicht konfessioneller Art sind, nicht berührt.“

Die Vorlage der Regierung wurde von den vereinigten Ausschüssen gegen 7 Stimmen angenommen.

Im Finanzausschuß des Abgeordnetenhauses, der heute den Kulturret behandelte, äußerte sich Kultusminister Dr. Högman auch über jüdische Probleme. Er wies die Behauptung zurück, als ob er die jüdische Konfession bei den staatlichen Dienstleistungen vernachlässigen würde. Er bringe ihr die Unterstützung des größten Verständnisses entgegen und sei stets bestrebt gewesen, ihre gerechten Wünsche zu befriedigen und ihrem Glaubensschutz zu gewähren. Er werde stets dafür sorgen, daß die Mitglieder der jüdischen Konfession in der Ausübung ihres Glaubens nicht behindert werden. Was das Judengesetz anbelangt, so beschäufte sich dieses nach seiner Auffassung nicht mit einer konfessionellen, sondern mit einer wirtschaftlichen Frage.

Dr. A. F.

Die Reichsfluchtsteuer in Österreich

Die deutschen Reichsfluchtsteuervorschriften sind mit Rückwirkung auf den 1. Januar 1938 auf das Land Österreich erstreckt worden. (Verordnung vom 14. April 1938.)

In persönlicher Hinsicht wird der Kreis der Reichsfluchtsteuerpflichtigen durch die Einbeziehung derjenigen — nach dem 31. Dezember 1937 ausgewanderten oder auszuwandernden — Personen erweitert, die am 1. Januar 1938 österreichische Bundesbürger gewesen sind.

Solche Personen werden meist aus Österreich ausgewandert. Sie sind dann reichsfluchtsteuerpflichtig, falls sie irgendwann einmal in den Jahren 1931 bis 1938 ein Einkommen von mehr als 30.000 Schillingen (20.000 Reichsmark) oder am 1. Januar 1938 ein Vermögen von mehr als 75.000 Schillingen (50.000 Reichsmark) versteuert haben. Für die Vermögensgrenze wird also nicht — wie in den für das alte Reichsgebiet geltenden Reichsfluchtsteuervorschriften — auf die Vermögensveranlagungen seit 1931 zurückgegriffen. Dies beruht darauf, daß die österreichische Vermögenssteuer Veranlagung keine brauchbare Grundlage für die Reichsfluchtsteuer darstellt, weil sie nur vom sog. ertragsbringenden Vermögen erhoben und auf Grund der Erträge errechnet wird.

Erfolgt die Auswanderung einer Person, die am 1. Januar 1938 österreichischer Bundesbürger gewesen ist, aus dem Altreichsgebiet, so kommt es für die Überschreitung der Einkommensgrenze von 20.000 RM, ebenfalls auf die Jahre 1931 bis 1938 an. Für die Überschreitung der Vermögensgrenze von 50.000 RM ist dagegen der Stand am 1. Januar 1931 oder bei einer späteren Veranlagung zur Vermögenssteuer maßgebend.

Auch für die Frage der Hinzurechnung von Schenkungen, die der Auswanderer im Gesamtvermögen von mehr als 10.000 RM gemacht hat, und die weder in seinem steuerlichen Gesamtvermögen enthalten noch bereits zu einer Reichsfluchtsteuer herangezogen worden sind, wird unterschieden, ob die Auswanderung aus Österreich oder aus dem Altreichsgebiet erfolgt. Im ersten Falle werden die Schenkungen seit dem 1. Januar 1938, im zweiten diejenigen nach dem 1. Januar 1931 hinzugezogen.

Die räumliche Wirkung der neuen Bestimmungen zeigt sich, wenn solche Personen, die an dem nach den deutschen Reichsfluchtsteuervorschriften bisher allein maßgeblich gewesen 31. März 1931 Angehörige des Deutschen Reichs waren, nach dem 31. Dezember 1937 aus Österreich ausgewandert. Sie haben dann eine Reichsfluchtsteuer zu entrichten, wenn sie irgendwann seit 1931 ein Einkommen von mehr als 30.000 Schillingen (20.000 Reichsmark) oder am 1. Januar 1938 ein Vermögen von mehr als 75.000 Schillingen (50.000 Reichsmark) versteuert haben.

Auch hier kommt es ebenso wie in dem Fall, daß österreichische Bundesbürger aus Österreich auswandern, auf frühere Vermögenssteueranmeldungen nicht an.

Diese Regelung gilt nach dem Wortlaut der Bestimmungen auch für solche Steuerpflichtige, die vor dem 1. Januar 1938 ihren Wohnsitz aus Deutschland nach Österreich verlegt und hierbei eine Reichsfluchtsteuer entrichtet hatten. Es entsteht aber hierbei die Frage, ob nicht die Tatsache, daß bereits einmal eine Reichsfluchtsteuer entrichtet ist, eine nochmalige Erhebung dieser Steuer ausschließt.

Falls in derartigen Fällen eine Reichsfluchtsteuer erhoben wird, empfiehlt es sich, einen Antrag auf Erlaß der Steuer im Billigkeitswege zu stellen. Ein gewisser Mißstand tritt übrigens dadurch ein, daß eine Reichsfluchtsteuer bei der Auswanderung aus Österreich nicht nochmals zur Entstehung gelangt, wenn der Vermögensstand am 1. Januar 1938 weniger als 75.000 Schilling ergibt und die erste Reichsfluchtsteuer bei der Auswanderung aus Deutschland lediglich dadurch ausgelöst wurde, daß die Vermögensgrenze von 50.000 RM überschritten war; denn es kommt, wie dargelegt, bei der Auswanderung aus Österreich auf die Vermögenssteueranmeldungen vor dem 1. Januar 1938 nicht mehr an.

Soweit Wohnsitzverlegungen nach dem 31. Dezember 1937 innerhalb des neuen Reichsgebiets, d. h. also vom Altreichsgebiet nach Österreich oder umgekehrt, erfolgt sind, wird eine Reichsfluchtsteuer nicht erhoben.

Die Ermittlung des Vermögens, auf Grund dessen die Reichsfluchtsteuer in Höhe eines Viertels zu errechnen ist, erfolgt nach dem Stande vom 1. Januar 1938 gemäß den deutschen Bewertungsvorschriften. Zu diesem Zwecke werden diejenigen Personen, welche seit dem 1. Januar 1938 aus Österreich ausgewandert sind, oder bei denen nach den Umständen anzunehmen ist, daß sie in absehbarer Zeit auswandern werden, sofort nach Bekanntwerden dieser Tatsachen zur Abgabe eines Vermögensverzeichnisses laut Vordruck nach dem Stande des 1. Januar 1938 aufgefordert.

Im übrigen gelten die deutschen Reichsfluchtsteuervorschriften sinngemäß. Insbesondere können also auch die hier vorgesehenen Straf- und Sicherungsmaßnahmen ergriffen werden. Ferner ist zu beachten, daß die Steuer ohne besonderen Bescheid im Zeitpunkt der Auswanderung fällig wird.

Dr. jur. Werner Gallewski, Berlin

Verantwortlicher Redakteur: Dr. Robert Weltisch, Berlin-Charl. (auch verantwortlich für die Aufnahme von Bildern). Stellvertreter: Kurt Loewenstein, Berlin W 15. Anzeigenleiter und verantwortlich für den Inhalt der Anzeigen: Hermann Finn, Berlin W 15. Gültig Anzeigen-Preisliste 5 vom 1. April 1938. Verlag und Anzeigenverwaltung: Jüdische Rundschau, Berlin W 15, Meindorferstr. 10. D.A. 1/1938: 26.043. — Druck: Siegfried Schölem, Berlin-Schöneberg.

Freigrenzen, wie sie z. B. das Vermögenssteuergesetz oder die Reichsfluchtsteuer-Bestimmungen vorsehen, scheiden aus (§ 2 Abs. 1). Andererseits sind bewegliche Gegenstände nicht hinzuzurechnen, wenn sie ausschließlich zum persönlichen, also keinem anderen Gebrauch, des Anmeldepflichtigen bestimmt sind sowie der Hausrat, sofern die persönlichen Gebrauchsgegenstände und der Hausrat nicht als Luxusgegenstände zu bezeichnen sind (§ 2 Abs. 2). Unter den persönlichen Gebrauchsgegenständen werden Kleider, Schuhe, Leibwäsche des Anmeldepflichtigen in Betracht kommen. Als Hausrat hat die Steuerrechtsprechung im allgemeinen die beweglichen Sachen angesehen, die Wohnzwecke oder sonstigen Lebenszwecken dienen wie z. B. Gebrauchsmöbel, Küchengeräte usw., Bilder, aber auch Geräte wie Nähmaschinen.

Die Anmeldeform ist durch Ausgabe eines amtlichen Musters, das benutzt werden muß, festgelegt (§ 4 VO). Die Anmeldung muß bei der für den Wohnsitz des Anmeldepflichtigen zuständigen Verwaltungsbehörde erfolgen. Die Behörden sind in der Bestimmung (§ 4 VO) genau angegeben. In Berlin kommt z. B. der Polizeipräsident, im übrigen Preußen der Regierungspräsident, in anderen Teilen Deutschlands ebenso wie in Österreich der Reichsstatthalter als Anmeldebehörde in Betracht.

Der Anmeldeinhalt wird sich im einzelnen aus dem Musterformular ergeben. Jedenfalls ist das gesamte Vermögen im obigen Sinne anzumelden. Dieses Vermögen ist auch zu bewerten. Als Bewertungsmaßstab kommt der gemeine Wert in Frage, den jeder Vermögensbestandstand am Tage des Inkrafttretens der Verordnung hat (§ 3 Abs. 1 VO). Unter gemeinem Wert wird im Reichsbewertungsgesetz (§ 10) der Preis verstanden, der im gewöhnlichen Geschäftsverkehr nach der Beschaffenheit des einzelnen Wirtschaftsguts bei der Bewertung erzielt wäre, wären alle Umstände, die den Preis bestimmen, mit Ausnahme von außergewöhnlichen oder persönlichen Verhältnissen zu berücksichtigen. Für jede anmeldepflichtige Person ist das Vermögen getrennt anzugeben (§ 1 Abs. 3).

Die Anmeldung ist bis zum 30. Juni 1938 bestimmt. Wenn aus besonderen Gründen bis dahin eine vollständige Anmeldung und Bewertung nicht möglich ist, so kann die Frist verlängert werden; jedenfalls muß bis zu diesem Tage auch dann unter Angabe der Hinderungsgründe das Vermögen schätzungswise angegeben und bewertet werden (§ 4 VO).

Neben der Anmelde- und Bewertungsverpflichtung enthält die Verordnung noch eine Anzeigeverpflichtung. Es sind nämlich alle Erhöhungen und Verminderungen des Vermögens anzuzeigen, die nach den Veränderungen der Verordnung eingetreten sind oder eintreten, sofern sie über den Rahmen einer angemessenen Lebensführung oder des regelmäßigen Geschäftsverkehrs der anmeldepflichtigen Personen hinausgehen (§ 5 Abs. 1 VO). Die Anzeigepflicht betrifft auch Juden und nichtjüdische Ehegatten von Juden, die beim Inkrafttreten der Verordnung nicht zur Anmeldung verpflichtet sind, aber nachher Vermögen im Werte von mehr als 5000 RM erwerben (§ 5 Abs. 2 VO).

Der Einsatz des anmeldepflichtigen Vermögens kann erforderlichenfalls im Einklang mit den Belangen der deutschen Wirtschaft sichergestellt werden; entsprechende Maßnahmen können getroffen werden (§ 7 VO).

Die vorsätzliche oder fahrlässige Verletzung der Anmelde-, Bewertungs- oder Anzeigepflicht oder die Zuwiderhandlung gegen die Einsatzmaßnahmen ist unter Strafe gestellt, auch Einziehung des Vermögens unter Umständen vorgesehen.

Auf Grund der Verordnung über die Bestandsaufnahme jüdischen Vermögens ist am gleichen Tage die erste Anordnung ergangen. Sie ist mit dem auf die Verkündung folgenden Tage, also am 27. April 1938, in Kraft getreten (§ 12).

Diese Anordnung sieht eine Genehmigung bei Neueröffnungen von jüdischen Gewerbebetrieben und bei Neueröffnungen von Zweigniederlassungen sowie bei Neueröffnungen von Betrieben, bei Bestellungen eines Nießbrauchs daran sowie bei Verpflichtungen zur Vornahme solcher Rechtsgeschäfte vor (§§ 1 ff., 7 ff.).

In erster Reihe sind Neueröffnungen jüdischer Gewerbebetriebe oder von Zweigniederlassungen von jüdischen Betrieben genehmigungspflichtig (§ 7). Die Genehmigung muß von demjenigen beantragt werden, der den Betrieb oder die Zweigniederlassung eröffnen will (§ 8). Über den Antrag entscheidet die höhere Verwaltungsbehörde (§ 9). Versagt sie die Genehmigung, so ist binnen zwei Wochen seit Bekanntgabe Bescheid von dem Reichswirtschaftsminister zulässig, der endgültig entscheidet (§ 10). Zuwiderhandlungen gegen Bestimmungen sind unter Strafe gestellt (§ 11).

Außerdem ist die Genehmigung erforderlich, wenn ein gewerblicher, land- oder forstwirtschaftlicher Betrieb veräußert oder verpachtet wird, die Bestellung eines Nießbrauchs daran sowie die Verpflichtung zur Vornahme eines solchen Rechtsgeschäfts, falls an dem Rechtsgeschäft ein Jude als Vertragsschließender beteiligt ist (§ 1 Abs. 1). Die Genehmigungspflicht darf nicht dadurch umgangen werden, daß der Vertrag durch Mißbrauch von Formen und rechtlichen Gestaltungsmöglichkeiten in eine andere Form gebracht wird, die außerdem die gesetzlichen Voraussetzungen für die Genehmigungspflicht nicht aufweist (§ 2). Auch Grundstücksgeschäfte sind genehmigungspflichtig, sofern es sich um Grundstücke für die angegebenen Betriebe handelt (vgl. dazu §§ 5, 6).

Die Genehmigungspflicht entfällt, wenn das Rechtsgeschäft auf Grund anderer genau angegebener Bestimmungen (§ 3) ohnehin genehmigungspflichtig ist. Besonders hingewiesen wird in diesem Zusammenhang, daß bereits nach der Grundstücksverkehrsverordnung vom 26. Januar 1937 bei landwirtschaftlichen Grundstücken über 2 Hektar eine Genehmigungspflicht vorgeschrieben ist.

Die beurkundenden Stellen haben festzustellen, ob an Rechtsgeschäften, deren Beurkundung sie vornehmen, ein Jude als Vertragsschließender beteiligt ist (§ 4). Verstöße gegen die Genehmigungspflicht sind im Rahmen der gesetzlichen Bestimmungen (§ 11) unter Strafe gestellt.

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§ 3

Bedarf das Rechtsgeschäft der außergerichtlichen oder der notariell beurkundeten Genehmigung oder der Genehmigung nach der Grundbuchverkehrsbescheinigung vom 26. Januar 1937, so ist eine Genehmigung nach § 1 nicht erforderlich.

§ 4

Bei Beurkundung eines der im § 1 bezeichneten Rechtsgeschäfte soll der Notar oder die sonstige beurkundende Stelle auf diese Anordnung hinwirken und die Akte stellen, ob an dem Rechtsgeschäft ein Jude als Vertragschließender beteiligt ist. Aus der notariellen Akte soll hervorgehen, daß dies der Fall ist und in welchem Sinne die Akte beurteilt werden soll.

§ 5

Einen Nachweis dafür, daß eine Genehmigung nach dieser Anordnung nicht erforderlich ist, hat die Grundbuchbehörde zu fordern, wenn nach ihrem Ermessen begründeter Anlaß zu der Annahme besteht, daß die Voraussetzungen für die Anwendung dieser Anordnung gegeben sind.

§ 6

(1) Ist im Grundbuch ohne Genehmigung eine Rechtsänderung eingetragen, so hat die Grundbuchbehörde auf Erfordern der Genehmigungsbehörde einen Widerspruch einzutragen, wenn diese annimmt, daß die Genehmigung nach § 1 oder § 2 erforderlich ist, die Vorschriften über die selbständige Eintragung eines Widerspruchs durch die Grundbuchbehörde (§ 53 Abs. 1 der Grundbuchordnung) bleiben unberührt.

(2) Ein nach Abs. 1 eingetragener Widerspruch ist zu löschen, wenn die Genehmigungsbehörde davon erachtet oder wenn die Genehmigung erteilt ist.

(3) Dies gilt sinngemäß für das Land Österreich.

Artikel II

§ 7

Die Neuöffnung eines jüdischen Gewerbebetriebs oder der Zweigüberlassung eines jüdischen Gewerbebetriebs bedarf der Genehmigung.

Berlin, den 26. April 1938.

Der Beauftragte für den Vierjahresplan

Goering

Generalfeldmarschall

§ 8

Die Genehmigung ist von dem zu beantragen, der den Gewerbebetrieb oder die Zweigüberlassung zu eröffnen beabsichtigt.

Artikel III

§ 9

(1) Über den Antrag auf Genehmigung entscheidet die höhere Verwaltungsbehörde.

(2) Zuständig ist die höhere Verwaltungsbehörde, in deren Bezirk

1. im Falle des § 1 der Betrieb belegen ist,

2. im Falle des § 7 der Betrieb oder die Zweigüberlassung eröffnet werden soll.

(3) In Zweifelsfällen wird die zuständige höhere Verwaltungsbehörde durch den Reichswirtschaftsminister bestimmt.

§ 10

Wird die Genehmigung verweigert, so steht dem Antragsteller binnen zwei Wochen seit der Bekanntgabe der Entscheidung an ihn die Beschwerde an den Reichswirtschaftsminister zu. Die Entscheidung des Reichswirtschaftsministers kann nicht angefochten werden.

§ 11

Wer vorläufig oder jahrelang ohne die erforderliche Genehmigung

1. einen gewerblichen, land- oder forstwirtschaftlichen Betrieb übernimmt oder behält oder einem anderen überläßt oder betraut oder

2. einen jüdischen Gewerbebetrieb oder die Zweigüberlassung eines solchen Betriebs eröffnet wird nach § 8 der Verordnung über die Anmeldung des Vermögens von Juden vom 26. April 1938 (Reichsgesetzbl. I S. 111) bestraft.

§ 12

Diese Anordnung tritt mit dem auf die Verkündung folgenden Tag in Kraft.

Reichsgesetzblatt

Teil I

1938	Ausgegeben zu Berlin, den 26. April 1938	Nr. 63
Zag	Inhalt	Seite
23. 4. 38	Erlaß des Führers und Reichskanzlers zur Überleitung der Rechtspflege im Lande Österreich auf das Reich.....	413
25. 4. 38	Zweite Verordnung über Beschränkung der Errichtung von gewerblichen Unternehmungen und Betrieben im Lande Österreich.....	414
26. 4. 38	Verordnung über die Anmeldung des Vermögens von Juden.....	414
26. 4. 38	Anordnung auf Grund der Verordnung über die Anmeldung des Vermögens von Juden.....	415

Erlaß des Führers und Reichskanzlers zur Überleitung der Rechtspflege im Lande Österreich auf das Reich.

Vom 23. April 1938.

§ 1

(1) Mit dem 1. Mai 1938 werden die Justizbehörden im Lande Österreich Reichsbehörden.

(2) Die für die Justizbehörden und Behörden im Lande Österreich geltenden Rechts- und Verwaltungsvorschriften sind bis auf weiteres anzuwenden.

§ 2

Auf den Reichsminister der Justiz gehen diejenigen Befugnisse der Obersten Behörden im Lande Österreich über, die nach den Vorschriften des Reichs zu seinem Geschäftsbereich gehören; er kann diese Zuständigkeiten auf nachgeordnete Behörden übertragen.

§ 3

Der Reichsminister der Justiz kann zur Überleitung und Fortführung der Geschäfte im Lande Österreich einen Beauftragten mit dem Dienstsitz in Wien bestellen.

§ 4

Mit der Durchführung dieses Erlasses wird der Reichsminister der Justiz beauftragt. Er erläßt die erforderlichen Vorschriften im Einvernehmen mit den beteiligten Reichsministern.

Berlin, den 23. April 1938.

Der Führer und Reichskanzler

Adolf Hitler

Der Reichsminister der Justiz

Dr. Gurtner

Der Reichsminister des Innern

Dr. Frick

Das Reichsgesetzblatt erscheint in zwei getrennten Teilen — Teil I und Teil II —.

Vorläufiger Bezug nur durch die Postanstalten. Bezugspreis vierteljährlich für Teil I = 1,75 .RM., für Teil II = 2,10 .RM. Einzelbezug (oder auch jeder allein) Nummer nur vom Reichsverlagsamt, Berlin NW 40, Schadowstraße Nr. 4 (Fernsprecher: 42 92 65 — Postfachkonto: Berlin 96200). Einzelnummern werden nach dem Umfang berechnet. Preis für den achtfelligen Bogen 15 .Hpf., aus abgelaufenen Jahrgängen 10 .Hpf., einschließlich der Postdruckgebühren.

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Herausgegeben vom Reichsministerium des Innern. — Gedruckt in der Reichsdruckerei, Berlin.

**Zweite Verordnung
über Beschränkung der Errichtung von gewerblichen Unternehmungen und Betrieben
im Lande Österreich.**

Vom 25. April 1938.

Auf Grund des Arttels III des Gesetzes über die Wiedervereinigung Österreichs mit dem Deutschen Reich vom 13. März 1938 (Reichsgesetzbl. I S. 237) wird folgendes verordnet:

Die Verordnung über Beschränkung der Errichtung von gewerblichen Unternehmungen und Betrieben im Lande Österreich vom 19. März 1938 (Reichsgesetzbl. I S. 264) wird aufgehoben.

Diese Verordnung tritt mit der Verkündung in Kraft.

Berlin, den 25. April 1938.

Der Reichswirtschaftsminister

In Vertretung
Brinkmann

Der Reichsminister des Innern

In Vertretung
Dr. Zindart

Verordnung über die Anmeldung des Vermögens von Juden.

Vom 26. April 1938.

Auf Grund der Verordnung zur Durchführung des Vierjahresplans vom 18. Oktober 1936 (Reichsgesetzbl. I S. 887) wird folgendes verordnet:

§ 1

(1) Jeder Jude (§ 5 der Ersten Verordnung zum Reichsbürgergesetz vom 11. November 1935 (Reichsgesetzbl. I S. 1333)) hat sein gesamtes in- und ausländisches Vermögen nach dem Stande vom Tage des Inkrafttretens dieser Verordnung gemäß den folgenden Bestimmungen anzumelden und zu bewerten. Juden fremder Staatsangehörigkeit haben nur ihr inländisches Vermögen anzumelden und zu bewerten.

(2) Die Anmelde- und Bewertungspflicht trifft auch den nichtjüdischen Ehegatten eines Juden.

(3) Für jede anmeldspflichtige Person ist das Vermögen getrennt anzugeben.

§ 2

(1) Das Vermögen im Sinne dieser Verordnung umfasst das gesamte Vermögen des Anmelderpflichtigen ohne Rücksicht darauf, ob es von irgendeiner Steuer befreit ist oder nicht.

(2) Zum Vermögen gehören nicht bewegliche Gegenstände, die ausschließlich zum persönlichen Gebrauche des Anmelderpflichtigen bestimmt sind, und der Hausrat, soweit sie nicht Luxusgegenstände sind.

§ 3

(1) Jeder Vermögensbehaftete ist in der Anmeldung mit dem gemainen Wert anzusetzen, den er am Tage des Inkrafttretens dieser Verordnung hat.

(2) Die Anmeldspflicht entfällt, wenn der Gesamtwert des anmeldspflichtigen Vermögens ohne Berücksichtigung der Verbindlichkeiten 5000 Reichsmark nicht übersteigt.

§ 4

Die Anmeldung ist unter Verwendung eines amtlichen Modells bis zum 30. Juni 1938 bei der für den Wohnsitz des Anmeldenden zuständigen höheren Verwaltungsbehörde abzugeben. Wenn im Einzelfall aus besonderen Gründen eine vollständige Anmeldung und Bewertung des Vermögens bis zu diesem Tage nicht möglich ist, so kann die höhere Verwaltungsbehörde die Anmeldefrist verlängern; in diesem Falle ist jedoch bis zum 30. Juni 1938 unter Angabe der Hindernisgründe das Vermögen schätzungsweise anzugeben und zu bewerten.

§ 5

(1) Der Anmeldpflichtige hat der höheren Verwaltungsbehörde unverzüglich jede Veränderung (Erhöhung oder Verminderung) seines Vermögens anzuzeigen, die nach dem Inkrafttreten der Verordnung eintritt, sofern die Vermögensveränderung über den Rahmen einer angemessenen Lebensführung oder des regelmäßigen Geschäftsbetriebs hinausgeht.

(2) Die Anzeigepflicht gilt auch für diejenigen Juden, die beim Inkrafttreten der Verordnung nicht zur Anmeldung und Bewertung verpflichtet sind, aber nach diesem Zeitpunkt Vermögen im Werte von mehr als 5000 Reichsmark erwerben. § 1 Abs. 1 Satz 2, Abs. 2 und 3 gelten entsprechend.

§ 6

(1) Höhere Verwaltungsbehörde im Sinne dieser Verordnung ist

in Preußen	der Regierungspräsident (in Berlin der Polizeipräsident),
in Bayern	der Regierungspräsident,
in Sachsen	der Kreishauptmann,
in Württemberg	der Minister des Innern,
in Baden	der Minister des Innern,
in Thüringen	der Reichsstatthalter,
in Ministerium des Innern	
in Hessen	der Reichsstatthalter (Landesregierung),
in Hamburg	der Reichsstatthalter
in Mecklenburg	das Staatsministerium, Abt. Inneres,
in Oldenburg	der Minister des Innern,
in Braunschweig	das Ministerium des Innern,
in Bremen	der Senator für die innere Verwaltung,
in Anhalt	das Staatsministerium, Abt. Inneres,
in Lippe	der Reichsstatthalter (Landesregierung),
in Schaumburg Lippe	die Landesregierung,
in Saarland	der Reichskommissar für das Saarland.

Berlin, den 26. April 1938.

Der Beauftragte für den Vierjahresplan

Göring
Generalfeldmarschall

Der Reichsminister des Innern
Fritsch

Anordnung

auf Grund der Verordnung über die Anmeldung des Vermögens von Juden.

Vom 26. April 1938.

Auf Grund des § 7 der Verordnung über die Anmeldung des Vermögens von Juden vom 26. April 1938 (Reichsgesetzbl. I S. 111) ordne ich an:

Artikel I

§ 1

(1) Die Veräußerung oder die Verpachtung eines gewerblichen, land- oder forstwirtschaftlichen Betriebes sowie die Bestellung eines Nießbrauchs an einem solchen Betrieb bedarf zu ihrer Wirksamkeit der Genehmigung, wenn an dem Rechtsgeschäft ein Jude

(2) In Österreich tritt an die Stelle der höheren Verwaltungsbehörde der Reichsstatthalter (Landesregierung). Er kann seine Befugnisse aus dieser Verordnung auf andere Stellen übertragen.

§ 7

Der Beauftragte für den Vierjahresplan kann die Maßnahmen treffen, die notwendig sind, um den Einfluß des anmeldspflichtigen Vermögens im Einklang mit den Belangen der deutschen Wirtschaft sicherzustellen.

§ 8

(1) Wer vorsätzlich oder fahrlässig die nach den vorstehenden Vorschriften bestehende Anmelde-, Bewertungs- oder Anzeigepflicht nicht, nicht richtig oder nicht rechtzeitig erfüllt oder einer auf Grund des § 7 erlassenen Anordnung zuwiderhandelt, wird mit Gefängnis und mit Geldstrafe oder mit einer dieser Strafen bestraft; in besonders schweren Fällen vorsätzlicher Zuwiderhandlung kann auf Zuchthaus bis zu zehn Jahren erkannt werden. Der Täter ist auch strafbar, wenn er die Tat im Ausland begangen hat.

(2) Der Versuch ist strafbar.

(3) Neben der Strafe aus Abs. 1 und 2 kann auf Eingziehung des Vermögens erkannt werden, soweit es Gegenstand der strafbaren Handlung war; neben der Zuchthausstrafe ist auf Eingziehung zu erkennen. Kann keine bestimmte Person verfolgt oder verurteilt werden, so kann auf Eingziehung auch selbständig erkannt werden, wenn im übrigen die Voraussetzungen für die Eingziehung vorliegen.

als Vertragszögler beteiligt ist. Das gleiche gilt für die Verpflichtung zur Vornahme eines solchen Rechtsgeschäfts.

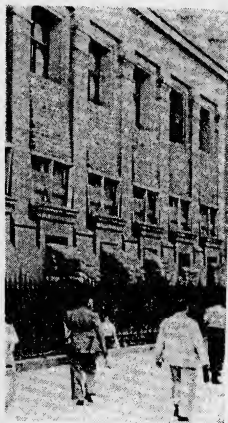
(2) Wird das Verpflichtungsgeschäft genehmigt, so gilt die Genehmigung auch für das diesem Verpflichtungsgeschäft entsprechende Erfüllungsgeschäft als erteilt.

§ 2

Durch Mißbrauch von Normen und Gestaltungsmaßnahmen des bürgerlichen Rechts kann die Genehmigungspflicht nicht umgangen werden.



NEW YORK TIMES, FRIDAY, FEBRUARY 24, 1939.



Times Wide World

URGENT ATTACK

protected by sandbags as a defense
meral Franco's troops. The transla-
Madrid: Not One Step Backwards."

CIANO TELERS ROM

FRANCO ASKS HELP IN FEEDING MADRID

Relief Organizations Appeal to
All Insurgent Spain to
Give Tons of Food

VALENCIA IS FORTIFYING

Rushes Defense Preparations
—Arrests of Loyalist Agents
Continue in Barcelona.

BURGOS, Spain, Feb. 23 (AP).—Nationalist [Insurgent] relief organizations made newspaper appeals today for more contributions of food for the besieged thousands in Madrid.

The appeal carried forward a drive by Generalissimo Francisco Franco's relief agencies to be prepared with tons of foodstuffs for immediate distribution if peace should end Madrid's resistance or it should fall to his troops.

[Recent reports have indicated that Madrid, again the capital of Loyalist Spain, still has a population of about 1,000,000, despite efforts to reduce it.]

General Franco, having met successfully the problem of feeding more than 2,000,000 people in Bar-

REICH ORDERS JEWS TO CEDE VALUABLES

German or Stateless Ones Must
Turn In All Precious Metals
and Stones in Fortnight

'COMPENSATION' TO BE SET

Move a Surprise After Pledges
to Rubles—Held Actuated by
Financial Difficulties

By OTTO D. TOLISCHUS

Wireless to The New York Times.

BERLIN, Feb. 23.—Under a decree that Field Marshal Hermann Goering, Commissioner for the Four-Year Plan, announced today, all German or Stateless Jews must surrender within a fortnight all jewels and other objects of gold, silver or platinum as well as all diamonds, pearls and other precious stones.

These objects, which would include silver knives, forks and other tableware, must be delivered to special agencies—mostly local public pawnshops—appointed for the purchase of Jewish property in return for "compensation" whose size and nature will be fixed by Minister of Economics Walther Funk. Jews of foreign citizenship are exempted from this decree.



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April 6, 1939

Dr. Fritz Stern
Hotel Navarro
112 Central Park South
New York, N. Y.

My dear Dr. Stern:

I am enclosing a Memorandum on the Alaska Project, which Mr. Fagen has asked me to send you. Also, under separate cover, you will receive another copy of our Preliminary Report.

I was sorry that it wasn't possible to have you at our table at the dinner, and hope that you found it interesting anyway.

Very sincerely,

Charlotte K. Schnee
Charlotte K. Schnee

COMMITTEE ON ALASKA
MEETING OF JUNE 29, 1939

MINUTES

Present:

Larrence F. Rickett, Chairman
Albert Abrahamson
George Becker
Joe Chiles
Miss Concy
Felix Cohen
Dr. Morris H. Cohen
Melville Fagen
David Grant
Havelock H. Hensley
Hal Jones
Dr. Arlon Kewenaw

Dr. Landoor Lohi
Jacob Meyer
Arthur D. Meyer
Cecilia Pazova
Dr. Joseph L. Parn
William Rosenfeld
Alexander Sachs
Bruno Schuchman
Dorothy E. Sinslet
Wilhelmur Stefansson
Max Tarnburg

The Chairman presented a survey of the suggestions for the development of the Territory of Alaska with the aid of refugees. He said that the Department of the Interior had made a report showing that large-scale settlement was feasible, but from the point of view of the national interest, highly desirable. However, the Federal Government alone could not promote the necessary legislation for this purpose, but needed the active support and sponsorship of private groups, who would help in the development. Two necessary elements for settlement were already in existence: groups to settle and available lands. A third element was needed: the vision and examples of those who had acted as leaders in the movement. Problems such as those involved in the future of the Territory could, he thought, be easily solved if there was a will to do so. Mr. Rickett then introduced Mr. Felix S. Cohen of the Department of the Interior.

Mr. Cohen reviewed the efforts of government departments to work out a plan for the development of Alaska. He had been asked by Secretary Ickes and Solicitor Magwood of the Department of the Interior to consult with private organizations and individuals interested in the problem. If there was any question as to the attitude of the Department on this settlement, he could assure

those present that "we want it." The wasted resources, unbalanced economy, underpopulation and high cost of living in Alaska were serious problems that the Government wanted to solve. It was not impossible to draft a bill which would overcome the four major objections, namely: that Alaska should remain a wilderness, that American industries would be hurt if Alaska were developed, that immigration to the United States should not be encouraged, and that settlement would be a drain upon the public treasury. Proper conservation measures could be instituted to safeguard the natural heritages of the Territory. American industries, particularly those handling construction goods, would be helped by the development of an Alaskan market. Immigration would be allowed only under a selective process, and there would be no increase in the numbers of immigrants coming into the United States proper. The expense of the settlement certainly would be no more than that of other mass colonization schemes now being considered for refugees and would, in fact, require less philanthropic money because of the attractive prospects for regular investment capital that could be created in Alaska by refugee settlement. Moreover, he said, the Alaskans had given evidence that they wanted a planned development of their Territory. Mr. Cohen then outlined tentatively a plan of legislation involving the establishment of Alaska Development Corporations under joint private and governmental sponsorship, but financed out of private funds. These corporations would be empowered to pass on the suitability of settlers for various projects. Settlers in Alaska would be made non-quota immigrants, as are teachers, clergymen and students. 2

Mr. Cohen was asked a number of questions by those present. Would the immigrants to Alaska be changed to the quotas in five or ten years, and how would they become citizens? He answered that the waiting period before which they could obtain a quota number would count toward the period required for citizenship. He suggested that a bill be introduced at this session of Congress, and that the intervening period be used for the dissemination of information. The United States Government could not have to contribute directly to the financing of the settlements, but undoubtedly Federal funds would be available for roads, harbors, and other public improvements. There was then a discussion as to the cost of settlement. Mr. Cohen explained that the high cost of the Matanuska project was traceable to extraneous factors, and that the Bettlesville settlement showed how such industrial settlements could be established with a minimum of capital investment.

Mr. Isidor Lubin, U. S. Commissioner of Labor Statistics, was asked whether it was possible to determine settlement costs on the basis of the known capital investment per worker in American industries. He said that although such investments per worker differed in various parts of the country, and from industry to industry, some reliable estimates could be obtained. He expressed the feeling that wide publicity was needed, and strong efforts to see the bill through Congress.

After some discussion it was decided that the Chairman should appoint a committee of six to act in the interim and direct the work of publicity and legislative action. Mr. Max Warburg said that he would be glad to cooperate, and would place himself at the disposal of the committee whenever his help would be useful. The Chairman appointed the following committee:

Robert K. Straus, Chairman pro tem

David Grent

Evelyn F. Hershey

Clarence E. Pickett

Alexander Sachs (with William Rosenwald as alternate)

Vilhjalmur Stefansson

There was a discussion as to whether the Washington report should be published as a government document or under private sponsorship, and it was agreed that the matter should be left to the committee for a decision. The committee announced that it would meet on July 10th at the Labor Club.

The meeting was then adjourned.

Dr. F. M. Stern

New York City, April 10, 1939
112 Central Park South

Dr. Baruch
c/o H. Bentz & Co.
Hanover Square
New York City


Dear Dr. Baruch:

Enclosed, please find the report of the Conference on Jewish relations, Inc., about the Alaska problem together with a memorandum on the further developments since the completion of said report.

In case you find the matter interesting, as I hope you will, it would be very nice if you could interest your brother as well. As far as I know, Mr. Max Baiburg has already written to your brother about the Alaska problem, some time ago, but at that time, our brother was ill.

With my very best regards, I remain

Sincerely yours,



Enclosures.

MEMORANDUM ON ALASKA PROJECT.

Since the completion of the Preliminary report on Refugee Colonization in Alaska, the following developments may be reported:

1) A Bill has been drafted along the lines suggested in the report, setting up a semi-public Alaska Development Corporation. It is hoped that this Bill will be introduced during the present session of Congress.

2) The promise of cooperation from the Department of the Interior, the Department of Agriculture, and the War Department has been assured. Specific surveys of the possibilities of Alaska have already been undertaken by various government agencies.

3) The Alaska Chamber of Commerce, fearing an "influx of penniless refugees," passed a resolution opposing such a contingency. Their reaction to an assurance that no such move was contemplated appears to be favorable.

4) Business men approached are of the opinion that commercial possibilities of Alaska are great.

5) Max Warburg has declared that if the Bill is passed, there will be no lack of Jewish capital for the project. Other influential individuals have promised support conditional to the passage of the Bill. Jewish organizations are interested, but with the same reservation.

6) Dr. Rufus Jones, Quaker leader, has evinced a positive interest in refugee colonization in Alaska.

7) The President of the University of Alaska has indicated that he will cooperate to the fullest extent in plans to send about 20 refugees to study agriculture and mining at the University.

75 West Street
New York, N. Y.
June 27, 1939

Dr. Fritz Stern
Hotel Navarro
112 Central Park South
New York, N. Y.

Dear Dr. Stern:

In view of your interest in the refugee problem, as well as in the best development of the natural resources of our own country, we should be pleased to have you join us for an informal conference on the possibilities of Alaska as a site for ultimately large-scale settlement. Can you meet us at 4 o'clock on Thursday afternoon, June 29th, in the penthouse of the New York Post, 75 West Street?

Hoping that you can come,

Sincerely yours,

George Backer
George Backer

Clarence E. Pickett
Clarence E. Pickett

Wesley C. Mitchell
Wesley C. Mitchell

Vilhjalmur Stefansson
Vilhjalmur Stefansson

CONFERENCE ON JEWISH RELATIONS, INC.

[For a better understanding of the position of the Jews in the Modern World]

1819 BROADWAY
NEW YORK, N. Y.

•
PHONE CIRCLE 6-1191-2

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Executive Secretary

MELVIN M. FAGEN

July 12, 1939

Dr. Fritz Stern
Hotel Navarro
112 Central Park South
New York, N. Y.

Dear Dr. Stern:

We regret very much that you were not present at the Alaska meeting, held on June 29th at the penthouse of the New York Post.

However, I am sending you a copy of the minutes of that meeting.

Hoping that we may count on your continued interest in this matter, I am,

Very sincerely,



Charlotte R. Schnee

CONFERENCE ON JEWISH RELATIONS, INC.

[For a better understanding of the position of the Jews in the Modern World]

FIFTY-FIVE FIFTH AVENUE
NEW YORK, N. Y.

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MELVIN M. FAGEN

March 24, 1939

Dr. Stern
Hotel Navarro
112 Central Park South
New York, N. Y.

My dear Dr. Stern:

As per our understanding in our telephone conversation, I am enclosing two tickets for the annual dinner meeting of the Conference.

I think you would enjoy this meeting; we are planning to have one table devoted to those who are interested in Alaska, including the Alaskan representative on the International Highway Commission, who has spent twenty five years in the Territory and has excellent first-hand information about the country. As I mentioned, Vilhjalmur Stefansson will be one of the speakers; he is a well-known explorer who has spent many years in Alaska, and if we can get his support for our movement it will be an important step.

I shall tell Mr. Fagen about your friend from Zurich, and I am sure he will be anxious to meet him.

Hoping to see you at our Alaska table, I am,

Very sincerely,

Charlotte M. Schnee
Charlotte M. Schnee

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CONFERENCE ON JEWISH RELATIONS, Inc.

Fifty-Five Fifth Avenue

New York City

PRELIMINARY REPORT ON REFUGEE COLONIZATION IN ALASKA

Prepared by: Melvin M. Fagen

With the assistance of: Abraham Shohem
and
Phyllis Gollencz

January, 1939

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A PRELIMINARY REPORT OF REFUGEE COLONIZATION IN ALASKA

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PRELIMINARY REPORT ON REFUGEE COLONIZATION IN ALASKA

I

Advantages of a Refugee Settlement in the Alaskan Territory

Since 1933 the number of schemes proposed for the large-scale settlement of refugees has been legion.¹⁾ There are at least three reasons why none of these plans has thus far been put into practical operation:

a) The incoherence, ulterior motives or financial impracticability, as the case may be, of many colonization proposals;²⁾

b) The prejudice against large-scale settlement formed at a time when the refugee problem was less acute and when public opinion was less receptive to the idea of financing group settlement;³⁾

c) The fact that most plans thus far proposed have depended solely on philanthropic aid or the benevolent sentiments of particular governments, and have not been calculated to make the refugee settlement economically self-supporting.

The plans outlined by the British Government recently for settlement in British Guiana and Tanganyika,⁴⁾ may not share the deficiencies outlined above which were generally applicable to private proposals of the same nature. However, the British plans involve even more fundamental difficulties.^{4a)} The possibility for settlement of white persons on agricultural land in British Guiana is seriously doubted because of climatic and economic considerations; the feasibility of a settlement in Tanganyika, a former German colony, is seriously to be questioned in view of Germany's demand for a return of her former African possessions and the danger that constant insecurity would face any Jewish settlement there.

In proposing a settlement of refugees in the Alaskan territory, we have attempted to overcome the deficiencies of all other refugee colonization plans. In particular, we have sought a solution which would not only be of benefit to the refugees, providing them with economic and political security, which is the first essential, but which would also make the proposed refugee settlement of permanent benefit to the country which is being colonized. We may state categorically that refugee colonization, like other adjustments and agreements in social life, depends for its success upon the mutual satisfaction of both parties to the agreement. It is not possible to establish a successful refugee settlement on the basis of philanthropic or humanitarian action alone where the consideration for the agreement flows solely from one party.

The particular advantages to the United States of a settlement of refugees in Alaska, would be the following:

- 1) The strategic need for defense of the Territory, particularly against Japan;⁵⁾
- 2) The economic need for a larger population in Alaska which will create a permanent colony for consumption goods there and prevent the kind of absentee ownership, which it is generally recognized, tends to impoverish the territory;⁶⁾
- 3) The need for the United States to produce within its own territory certain products which are imported from other countries and which are essential to our industries.
- 4) The fact that if a refugee settlement is established outside of the United States (e.g. in British Guiana), most of the money necessary for such settlement would have to come from the United States; thus taking away a considerable portion of our national income without providing any corresponding economic benefits to the United States.

The particular advantages to the refugees of a settlement in Alaska are the following:

- 1) The establishment of a refugee colonization under the sovereignty of the United States, as contrasted with other settlement plans in countries where democracy and self-government are not part of the prevailing political pattern;
- 2) The fact that there are at present only 60,000 persons in Alaska, a territory about one-fifth the size of the United States proper;
- 3) The great undeveloped natural resources and economic future of the country;
- 4) The advantage of a continental market stretching from Canada to Mexico for its products;
- 5) The relatively large domestic needs of the population for products which could be produced in Alaska;
- 6) The fact that the present inhabitants of Alaska would seem to welcome the settlement of the country;
- 7) The fact that groups which would otherwise oppose the admission of refugees to the United States proper, would probably favor, on strategic and economic grounds, the admission of refugees to Alaska;
- 8) The absence of large cities in the territory, and the impossibility, therefore, of the refugees leaving their settlements and becoming either an urban proletariat or drifting to other regions.

9) The favorable attitude of the United States Government as expressed by the Secretary of the Interior, and by military and naval authorities, toward the settlement of the territory;

10) The growing industrial importance of Alaska and the prospect that, as a result of plans now under way for building highways and other developments in the country, it will soon become an important element in our national economy.

II

General Description of Alaska and Its Regional Divisions

The popular conception of Alaska as an Arctic, snowbound, forbidding and remote country, is based upon misinformation. Therefore, a short description of the general climatic and geographic conditions of the country is necessary.

a) CLIMATE: Despite its northern latitude, Alaska has a milder climate than countries situated in the same parallels, as for example, Norway, Sweden, Finland, and one-third of Russia. Due to the proximity of the Japan Current, the temperatures in Alaska are surprisingly mild, though they differ in various parts of the territory. The Table below indicates the mean and extremes of temperature in each of the larger towns of Alaska, beginning with those in the southern section and ending with those in the far north. (Table I). It will be noted that except for the towns furthest north, such as Nome, Coal Harbor and Anchorage, the temperatures do not differ considerably from those prevailing in Minnesota, or North Dakota, in the United States.

There are, of course, variations in climate in the three principal regions: on the southern coast there is a mild winter, a cool summer, a heavy rainfall; in the north interior (near Fairbanks) there are cold winters, warm summers, and light precipitation; the Arctic region has cold winters and cool summers, and only a slight precipitation.

In the Matanuska colony, which is in the midst of the largest agricultural area in Alaska, a record taken over 19 years shows that the average January temperature is 12° above zero (as compared with Minneapolis, Minnesota, which has 15°); the July average for the same period is 58°.

The growing season for agricultural crops is also as long as that prevailing in the northern part of the United States. For example, in the Matanuska area, the growing season extends from May 24th to September 10th, 108 days, whereas in Grand Rapids, Michigan, it is 110 days.

Table I

Average Annual Precipitation (including rain and melted snow) and
Mean and Extremes of Temperature by Towns in Alaska

<u>Town</u>	<u>Aver. Prec.</u> <u>Inches</u>	<u>Mean</u>	<u>Temperature</u> <u>Maximum</u>	<u>Minimum</u>
Ketchikan	157	43	96	- 8
Juneau	79	42	89	-15
Skegway	23	39	92	-22
Kellesnoo	52	40	84	-10
Sitka	82	43	87	- 4
Yakutat	115	39	71	3
Cordova	151	40	87	- 7
Valdez	52	35	84	-24
Seward	62	38	88	-20
Anchorage	15	32	80	-36
Kodiak	60	40	85	-12
Coal Harbor	48	39	80	-19
Dutch Harbor	53	39	80	5
Nome	16	25	79	-47

b) POPULATION: In October 1929, there were 59,278 persons living in Alaska. 53% of the population (19,304 individuals) lived in southeastern Alaska, adjacent to British Columbia. 30,000 of the Alaskan inhabitants are Eskimo Indians. Most of the existing inhabitants of Alaska are laborers; very few are devoted to commercial or other middle class occupations. The population is also characterized by a high ratio of men to women.

c) SIZE OF THE TERRITORY: Alaska covers an area of 586,000 square miles, about one-fifth the size of the continental United States. Of this at least 65,000 square miles can be cleared and cultivated. Very little of it has thus far been productively used for agriculture. In addition, 35,000 square miles are suitable for grazing.

d) REGIONAL CHARACTERISTICS: Alaska may be divided into six regions according to climate, vegetation and resources:

1) SOUTHEASTERN ALASKA. This is the section of the Territory adjacent to British Columbia. It is about 400 miles long, covered with rich forests and having mild winters, cool summers and heavy precipitation. Because of its accessibility to the United States and the favorable climate, it is the most

highly populated section of Alaska and contains most of the industry of the Territory. The mountains descend precipitously into the sea and form fjords. Agriculture is carried on in the alluvial valleys surrounding these fjords. But the principal industries at present are fisheries, extraction of minerals, and lumbering. It is also becoming an important recreational area. Most of the population is at present employed in the salmon and halibut industries.

2) SOUTH CENTRAL ALASKA. This region is to the north of Southeastern Alaska and is similar to the latter area in physiography, vegetation and climate. However, here the valleys are larger and agriculturally more productive. There is less lumber and the most important present industry is the extraction of minerals. The Kennicott copper mines are located at Copper River; and the well known Matanuska agricultural settlement near Anchorage is in this area. There are great potential farmlands in the Kenai Peninsula and undeveloped mineral and fisheries resources throughout the area. Although South Central Alaska is more difficult of access than the Southeastern region, the steamships from Seattle make frequent calls and there is a 500 mile railroad beginning at Seward on the coast and extending to Fairbanks in the interior. Moreover, there is a regional highway, the Richardson Highway, which extends from the coast to Fairbanks. In size of population, this South Central region is second to the Southeastern.

3) SOUTHWESTERN ALASKA. This region comprises the Bristol Bay and Aleutian Islands areas. It is rugged and populated mainly by Eskimos. The summers are wet and foggy and the winters are uncomfortable. The principal towns in this region are Kotick and Unalaska. The chief industry is fishing.

4) THE YUKON REGION. This region is well into the interior of Alaska. Its principal industry is the extraction of gold and its largest town is Fairbanks, the terminus of the Alaskan Railway. The temperatures are rather extreme and the rainfall is light except in the western part. In the Tanana Valley there are large potential agricultural lands.

5) SEWARD PENINSULA. This region is in the north of Alaska on the Bering Sea. The principal town is Nome, but the development of this area is handicapped by the fact that transportation by boat is impossible except during four months of the year, and that winters are long and cold. The principal industry here is gold extraction.

6) THE ARCTIC SLOPE. This region is the most remote and the most difficult for white settlers. The Office of Indian Affairs is anxious to leave it unsettled as a reserve for the native Eskimo population.

III

Possibility of Large-Scale Settlement in Alaska

It has been estimated that the land available for agriculture in Alaska is capable of supporting a potential population of three million people.⁸⁾ Certainly, this may be considered the minimum population which could find a livelihood in Alaska if the agricultural and industrial resources of the Territory were fully developed. If we compare countries of similar latitude, like the countries of the Scandinavian peninsula and Finland, we find that over twelve million persons live in Europe in conditions which approximate those prevailing in Alaska. Finland, for example, has a population of 3,500,000 and, in the extreme north, it grades into Arctic tundra. One-half the population depend upon agriculture and cattle raising, and nearly three-fourths of the total country is forested. Its chief wealth, however, lies in the forests and in the easily available water-power resources. Agricultural products grown in Finland do not seem to suffer from the high latitude. Moreover, the Finnish State does not have the advantage which Alaska has in a large continental market for its products. Norway, also, has a population of 2,700,000 with only 2.02% of its total area arable land; 24% being pasture land and forest. The abundance of water power, however, and the utilization of the fisheries and mineral resources as well as timber, make it a country which finds no difficulty in supporting its present population. Sweden, likewise, is an example of a country of the north which, by exploiting its mineral, timber and water power resources has been able to support a population of over six million people.⁹⁾ Although it is true, as the National Resources Committee Report indicates, that Alaska cannot be compared with the Scandinavian countries in all respects, the analogy is close enough to suggest the possibility for the settlement of a large population in the Territory.

IV

The Untapped Resources of Alaska

A. Agriculture

In considering the agricultural possibilities of Alaska, it is important to bear in mind the conclusion of the National Resources Committee "that agriculture in Alaska should be closely coordinated with and made supplemental to local industrial development."¹⁰⁾ The reason for this conclusion is that apart from certain exceptional cases, the agricultural products of Alaska do not have and would not have a market in continental United States; therefore the

agricultural development of Alaska must depend first upon production for the present Alaskan market and secondly upon the subsistence needs of the local settlers who might come into the country. However, it is not wise to underestimate the local food needs. At the present time, with its small population of 60,000 people, Alaska imports annually more than five million dollars worth of provisions which can be produced on Alaskan farms if the farmers were there to produce them and if transportation systems were adequate to the distribution needs. The list of provisions includes meats, milk, butter, cheese and vegetables, all of which can be produced in the Territory. Nearly one million dollars worth of fresh and canned fruit is imported into Alaska each year, and some of it also can be raised locally. Moreover, as the National Resources Committee points out, if the present population of Alaska is increased through further settlement, the domestic needs for agricultural produce will likewise multiply.¹¹⁾

The two principal regions for agricultural settlement (as well as for general refugee colonization) are the southeastern and southcentral regions. The southcentral region is, undoubtedly, the most favorable one for purely agricultural settlement, principally designed to provide products for the local population and not as a means of subsistence farming for workers otherwise engaged in industry, though this too may be done on a small scale in this area. The principal agricultural region in the southcentral part of Alaska is at the present time the Matanuska Valley. The colony established there in 1935 is composed of 200 families and is the largest agricultural settlement in Alaska. However, the total area under cultivation in this project is only about fifteen miles long and fifteen miles wide. There is, therefore, plenty of room for additional settlement in this valley. The Matanuska Valley is bounded on two sides by mountain chains, and lies at the head of an inlet. Transportation to the coast and to Fairbanks in the interior is by railroad which runs directly to the colony. Cereal crops such as spring wheat, oats and barley grow well, and average yields per acre were from 1931 - 1937, 22 bushels for wheat, 51 bushels for oats, and 24 bushels for barley. The soil is also excellent for the production of potatoes and yields of 300 to 400 bushels per acre are not unusual. This crop, moreover, is easy to market because of the present heavy importation of potatoes into the railroad belt for local consumption. In 1935, 1,180,000 pounds of potatoes entered this region from the United States. Pears, also, may be grown with heavy yields. A pea cannery has been established at Palmer, Alaska, not far from the Matanuska settlement. Bush fruits, like currants,

gooseberries and raspberries also do well in this area. Dairy cattle are a profitable investment because of the plentiful and excellent feed that can be raised, and there is a good local market for butter and other dairy products. The National Resources Committee mentions that the dairy industry in the valley has excellent possibilities for expansion.¹²⁾ During 1935, 500,000 pounds of butter alone were imported from the United States proper. Chickens, too, can be raised profitably and may be fed on home-grown feed. The market for Matanuska Valley agricultural products is confined largely to the railway belt and chiefly to Anchorage, a prosperous town of 2,200 population located about 55 miles from the present colony by rail. Transportation in the Matanuska Valley is better, perhaps, than in any other region of Alaska. In addition to the Alaska Railroad which traverses the valley, there has been for the past two years an extensive road building program.

Another favorable valley for agriculture in the southcentral part of Alaska is the Tanana Valley. This region lies 240 miles directly north of Matanuska and is separated from it by the rugged Alaska range. The maximum width of the valley is 70 miles, and it is 205 miles long. A part of this vast section is now being settled near the junction of the Felcha and Tanana Rivers near Dumbur. Although the winters here are cold, the weather is healthful and invigorating. The days during the growing season are long here as elsewhere in Alaska. Sometimes daylight during the summer lasts for 20 hours. Most of the land in the Tanana region is hillside or old river-bottom land. The soils are productive, and less acid than those of the Matanuska Valley. The most important farm crops are grain and potatoes, the latter being the chief cash crop. Like the Matanuska region the Tanana section is well suited to dairying and all of its products and has the thriving town of Fairbanks as a principal market place.

One other region in southcentral Alaska should be mentioned in connection with agricultural possibilities. That is the Kenai Peninsula. The western part of this peninsula comprises some of the best agricultural land in Alaska. The climate is never severe; and the same type of crops that are being produced in the Matanuska Valley can be produced here. The area of good agricultural land is more extensive even than that of the Matanuska Valley; but its development is dependent upon an increase in the present transportation facilities. Roads are badly needed in order to connect this region with the Alaska Railway.

Southeastern Alaska (adjacent to British Columbia) is for the most part a non-agricultural region. It is, however, more densely populated than any of

the other regions and therefore should offer a greater market. Certain areas at the heads of bays and on the tidal flats are being utilized for the production of crops and live stock. The principal crops grown are carrots, cabbages, potatoes, strawberries, and raspberries. Dairying is also done, although most of the feed for the animals is shipped from the United States. Undoubtedly more of this region could be cleared for agriculture, but the cost of clearing land because of the heavy forestation is prohibitive.

The National Resources Committee, in commenting upon agricultural possibilities in Alaska suggests that the principal products should be dairy produce, poultry and eggs, sheep and wool, per canning, potatoes, cabbages and carrots.¹³⁾ It was also recommended that small industries be developed in connection with the agricultural development of the southcentral area and that the following are the most essential: creameries, cheese factories, canning factories for vegetables, and flour mills.¹⁴⁾

It should be mentioned here that one of the difficulties of farming in Alaska is that mosquitoes are bothersome during the months of May, June and July. Men who work in the fields during these months usually wear head nets and canvas gloves.

It is recommended, on the basis of this survey, that the principal regions for agricultural development are in southcentral Alaska, principally the Matanuska and Tanana valleys and the Kenai Peninsula. These areas have been studied over a period of years by the Department of Agriculture which has engaged in experimental work in a number of stations in Alaska.

B. Forest Resources

It should be stated at the outset that Alaska has never been adequately mapped, especially as regards the vegetative cover. However, the National Resources Committee pays tribute to the immense potential timber resources of the Territory, particularly in the southeastern section and its adjacent islands extending for 800 miles along the British Columbian boundary to the entrance of Cook Inlet. The forests consist of heavy dense stands of conifers, principally western hemlock and Sitka spruce intermixed with some western red and Alaska cedar. The forest has an almost tropical density of trees and underbrush. It extends from the edge of tide water to altitudinal limits of about 2,750 feet in the southern and 2,000 feet in the northern sections. However, good timber rarely extends inland more than five miles except along a few large stream valleys. A vast network of sheltered navigable waterways renders a large portion of the area readily accessible and it is estimated that 75% of the

timber of usable quality lies within two and one-half miles of the ocean.¹⁵⁾
It is estimated that there is in this area alone over 21 million acres of timber of which at least 4 million acres is of commercial value. Most of the forest products and timber taken from this area are now consumed locally by the fishing and mining industries and for local purposes. And although the National Resources Committee considers it inadvisable to undertake an extensive saw-mill development primarily for the purpose of entering the general lumber market (except for Alaska cedar which could be sold on a wider scale than it is at present), there is apparently a great possibility for the development of a pulp and paper industry.¹⁶⁾ Studies by the United States Forest Service indicate that the forests of this region alone, under a proper system of management, can produce not less than 1,500,000 cords of pulp wood annually in perpetuity.¹⁷⁾ Converted into newsprint this represents a production of one million tons, or more than one-fourth of the present yearly consumption in the United States. Water-power resources for the manufacture of pulp and paper are easily available; and water transportation between Seattle and southern Alaska is a cheap method of transport. The United States, moreover, has long been the world's greatest user of newsprint and the consumption is constantly growing. At the present time, the United States is importing newsprint from eastern Canada principally.

The extensive forests of pulp wood in southeastern Alaska are owned by the Federal Government which leases them for cutting, the principal requirement being that depletion of the forest resources be prevented. The National Resources Committee, in a staff report, expresses its belief that this region of Alaska should be able to develop into a great permanent paper-making region, with model industrial towns, thoroughly equipped efficient plants and a population of skilled workers with a tradition for wood-work and paper making.¹⁸⁾ It estimates that a total of 25,600 persons (workers and dependents) could be supported by a full development of the newsprint possibilities in this one area. Moreover, Alaska does not yet have any pulp and paper mills; and yet it does offer great advantages for this purpose because the government policy for the preservation of the forest resources makes it possible to get a long-term supply of timber definitely tied to the mill. This long-term assurance of an adequate supply is necessary because a modern newsprint plant represents an investment of some 13 to 25 million dollars. Moreover, the fact that payment for the timber, under the rules and regulations of the Federal Government, need be made only as cutting proceeds, eliminates the necessity for a high

initial investment in standing timber that would be required if the manufacturer had to deal with a private land owner or if the government sold the timber outright at the start of operations.

The only reason why this area has not been utilized for pulp-timber developments is that the economic depression in the United States forced two leading companies which had planned to construct such plants to cancel their plans.

Apart from the pulp wood timber in the southeastern section of Alaska, high grade spruce lumber is readily saleable for airplane construction and other purposes. And, although little Alaska cedar is now cut, its qualities and fields of usefulness appear to indicate a higher value for specialized purposes. It is considered valuable for pattern-making, furniture, toys, and cabinet work.

C. Mineral Resources

The mineral resources of Alaska, although tapped as yet only to a small extent, have already been shown to be of great magnitude. In 1936 the annual production was valued at well over 25 million dollars. The principal mineral products are gold and copper. But silver, platinum, lead, tin, coal, oil, marble and other minerals are found. However, less than half of Alaska has been surveyed for mineral products, even in an exploratory fashion, by technical agencies. The Reconstruction Finance Corporation already has investigated the possibility of granting loans for their development. Coal deposits are found in the Matanuska Valley, principally, and oil seepages have been discovered and exploratory wells have been drilled, south of Seward. Copper, also, has been produced in large quantities in the Seward region (south central Alaska) as well as in the southeastern section. Gold, the principal mineral of Alaska, is being produced near the Matanuska Valley section and in the northern part of southeastern Alaska. Placer reserves of gold are distributed in large numbers throughout the northern part of Alaska, near Fairbanks and the terminus of the railroad.

In estimating the mineral reserves of Alaska, however, it is well to remember the caution expressed by the National Resources Committee that the potential mineral wealth cannot be adequately described because of the lack of geologic investigation.¹⁹⁾ But, with regard to gold, although most of the present production in Alaska is obtained through placer operations, the consensus of opinion of those geologists most familiar with the mineral resources of the territory is that the reserves of gold in the lodes by far exceed those in the placers. And these lode-producing areas have not adequately been explored.

Moreover, there are certain minerals which are important to the United States for strategic and industrial purposes. These, too, are found throughout Alaska. For example, there are nickel and platinum deposits in southeastern Alaska; and chromite has been found in the southcentral portion. Platinum and tungsten, also, are found near the present Alaska Railway.

D. Fisheries

The fisheries resources of Alaska have been highly developed and exploited for the past fifty years. This exploitation has in some cases operated to deplete the aquatic resources of the country, but now efforts of conservation are in operation. And yet, without depletion the aquatic resources of Alaska can nevertheless still be developed to a great extent. The problem generally is not so much to secure cargoes of fish, but to market the product when obtained. Cod, halibut, herring, and salmon exist in abundance in the Alaskan waters. The salmon production alone amounted to 8,457,603 cases in 1936. 117 canneries were in operation in Alaska in that year.

However, the sparse population of the territory and the highly seasonal nature of the more important fisheries requires the importation each year to Alaska of large numbers of fishermen, cannery workers and others from the United States. This importation has caused great concern to the local workers; and the Federal Government is making efforts to prevent contract labor in the fisheries industry.

The number of Alaskan inhabitants employed in the fisheries industry is constantly increasing. It would increase much more rapidly if the importation of seasonal oriental workers from the United States were stopped. The table below indicates the growing nature of the fisheries industry in Alaska:

NUMBER OF EMPLOYEES IN THE ALASKAN FISHERIES INDUSTRY, 1933 - 1936

<u>Year</u>	<u>Number</u>
1933	21,695
1934	26,190
1935	22,620
1936	30,583

E. The Fur Industry

The export of fur skins from Alaska in the fiscal year, 1936, brought \$2,264,467 and made this industry the third most valuable to the country from an export point of view. This annual production of furs is the means of livelihood for about 8,000 trappers, a substantial majority of whom are natives or

of native extraction. Fur farming is becoming, also, an important and valuable industry. Blue fox ranching, particularly, on the various islands of the Aleutian group and on some of the smaller islands in Southeastern Alaska, has become a well established industry. Moreover, the production of silver fox and minks, has been begun on a relatively smaller scale. The climate of Alaska is, of course, well adapted to the raising of fur animals and the pelts produced are known to be of excellent quality. Moreover, the basic food for many of the animals is fish, which in Alaska is plentiful and cheap. Although fur farming is of comparatively recent origin, the principal problems in connection with the creation of a large industry lie in the marketing field.

From 1927 thru 1936 the most lucrative branches of the fur industry in Alaska, from the point of view of the value of the product, were the production of mink and red foxes, as shown in the table below. Third in value were blue foxes, followed by beaver and white foxes.

FURS SHIPPED FROM ALASKA DURING THE YEARS 1927 - 1936

<u>Species</u>	<u>Total Value</u>
Red Fox	\$4,364,897.
Mink	4,235,519.
Blue Fox	3,983,125.
Beaver	3,068,537.
White Fox	2,032,795.

V

Marketing

In order to develop the resources of Alaska, it is important to consider the problems relating to means of transportation and the possibilities of meeting the demands of the local and export markets for various products.

A. Transportation

The principal means of transportation in Alaska has been by water. However, the dependence of Alaska on water transportation has constituted in a large degree the "bottle neck" which has prevented the fuller development of the country. Water transportation ordinarily follows the development of industry and commerce and is therefore dependent upon the volume of traffic demands. The planning of water transportation and its expansion depends, therefore, upon the development of the country itself. Over 99% of the cargo and passenger traffic from Alaska originates in or is destined for the continental United States. The major ports of entry in Alaska are Juneau, Cordova, Craig, Eagle,

Hyder, Ketchikan, Nome, Petersburg, Seward, Sitka and Skagway. Surveys are now being made for harbor and channel improvements, as authorized by Congress, on 12 harbors, and work has been authorized or partially completed on 5 more harbors. The harbors, therefore, are plentiful for all parts of Alaska and particularly so in the two areas most suitable for further colonization -- the Southeastern section and the South Central.

Only three railroads operate in Alaska -- The Alaska Railroad from Seward to Fairbanks; the Copper River and Northwestern, from Cordova to Kennicott; and the White Pass and Yukon, from Skagway to White Horse, in the Yukon Territory of Canada. The Copper River road has requested permission to discontinue operations, and the Alaska Railroad, therefore, with 470 miles of main line, is the only railroad of any size in the country. Passenger rates on the Alaska Railroad are 6¢ per mile. The Alaska Railroad, until the present time, has depended principally upon the mining industry for the bulk of its freight and passenger business. However, the railroad itself has been instrumental in stimulating the production of minerals.

Road transportation in Alaska is urgently needed. The only through trunk roads are the Richardson and Steese Highways, and the Anchorage-Fairbanks road system in South Central Alaska. Gravel for road surfacing is easily available, however. Road construction, it is clear, must be collateral to development of an area and be thought of as a condition precedent to that development. The Alaska Road Commission has prepared a comprehensive road construction program involving a cost of two million dollars per year for six years. The most ambitious project, however, is the construction of an international highway connecting Alaska with continental United States. In 1933 the Commission appointed to study the proposed highway reported it to be feasible at an estimated cost of approximately fourteen million dollars. The Commission recommended the development of this project principally on the grounds that the highway would enable the development of Alaska and result in an increase of population, and a consequent increase in tax revenues, thereby decreasing the present necessity for federal appropriations in support of the Territory.

The Committee also reported that the road would make possible the opening of new country, giving opportunity for settlement, investment of capital, and employment.

The contemplated highway would extend from Seattle to Fairbanks, Alaska. On August 26, 1935, an Act was approved authorizing the President to negotiate with the Canadian Government on the project. Over 1,000 miles of this projected highway from Seattle to Fairbanks will utilize existing roads, mostly

in the Seattle-British Columbia section. The highway when completed, will be 2,256 miles in length. Within the past six months the President has appointed a commission of five citizens of the United States to negotiate with the Canadian Government for the location, survey, and construction of the highway.

Air transportation is increasingly becoming an important means of travel and commercial shipping in Alaska. In 1937, for example, there were 101 planes in service in Alaska and they carried 20,958 passengers during the year over four million passenger miles, as well as almost three million pounds of freight. There are 97 air fields in Alaska, although most of them need extensive improvements in order to increase their safety and effectiveness.

B. Local and Foreign Markets for Alaskan Products

The United States at present imports more from Alaska than it exports to it. The Table below shows that since 1929 exports from the United States to Alaska were about half those of the imports to the United States, including gold. An examination of the export and import trade in Alaska by products, will indicate the type of industries which are at present most important and the type of needs which Alaskan products may fill. Although tonnage figures do not always indicate the real importance of a product, we find that in 1936 the principal exports of Alaska to the United States were salmon and limestone, followed by copper and fish. In view of the great forestry resources of Alaska it is significant that only slightly over 3,000 tons of logs and lumber were shipped to the United States, and that only 2,495 tons of miscellaneous metals were shipped in that year.

Another industry which seems to show a lack of development from the export point of view is fur production. Thirty-seven tons of hides and skins were shipped to the United States during 1936.

During this same year, Alaska was importing 185,000 tons of petroleum and oil products and 41,000 tons of iron and steel from the United States. Over 40,000 tons of lumber and timber products were sent from the United States to Alaska, a fact which in part is due to the superiority of Washington-Oregon lumber for building purposes.

IMPORTS TO THE UNITED STATES FROM ALASKA, 1936

<u>Products</u>	<u>Tons</u>
Salmon	144,407
Fish and Products	29,794
Limestone	94,793
Copper	31,138
Hides and Skins	37
Miscellaneous Metals	2,495
Logs and Lumber	3,109
Fertilizer	15,120
Miscellaneous	14,939

EXPORTS FROM THE UNITED STATES TO ALASKA, 1936

Foodstuffs	9,201
Paper and Products	10,358
Coal and Coke	25,957
Petroleum and Products	185,575
Non-Metallic Minerals	41,483
Lumber and Products	40,795

The above tables show the undeveloped nature of Alaskan trade, when we compare the exports and imports with the resources of the country. It is significant, for example, that Alaska imported from the United States over 40,000 tons of lumber and timber products and exported to the United States only 3,000 tons; that 10,000 tons of paper and paper products were imported into Alaska and that over 9,000 tons of foodstuffs were imported.

The figures of Alaskan imports for 1936 also show that a large quantity of tin cans was imported, principally for the fish canning industry. Almost 40,000 tons of tin cans had to be imported from the United States. Since there are reserves of tin and other minerals in Alaska, it would seem that the development of a native tin industry for the local market would be useful if sufficient supplies could be developed and sufficient capital for smelters could be obtained.

C. Water and Hydro-Electric Power

If the mining and forest resources of Alaska are to be developed on a larger scale, the water and electric power resources of the territory are an important element. Until now the potential water power of Alaska has not been ascertained or utilized to any great extent. The principal area of water power

in Alaska is in the Southeastern section where the National Resources Committee estimates that at least several hundred thousand²⁰⁾ horsepower (from 400 to 600 thousand) can be developed cheaply. For example, 50,000 horsepower can be developed in one power house from two sites adjacent to Juneau and the development of two other sites in the same locality would increase the concentration at this point to a total of 75,000 horsepower. A concentration of 60,000 horsepower can easily be effected at Ketchikan. Industrial development in Southeastern Alaska is to a large extent dependent on the availability of low-cost power. The many industries mentioned by the National Resource Committee which might operate extensively in this area are mining, pulp and paper manufacture, electro-chemical processes, and the utilization of fish products. The paper manufacture possibilities of Southeastern Alaska alone, would require for their exploitation approximately 250,000 horsepower, all of which is available in this area. But further studies ~~are~~ to be made to determine the water power resources of other sections of the Territory.

VI

A REFUGEE COLONIZATION PLAN FOR ALASKA

A survey of Alaska's resources and geography has shown that the two regions most favorable for development and most capable of supporting a larger population are the Southeastern section adjacent to British Columbia, and the South Central section near the Alaskan Railway and the towns of Seward, Fairbanks and Anchorage.

Differing as they do in topography and resources, however, these regions must be considered separately from a developmental viewpoint.

A. The Southeastern Region

The most feasible means of settlement in this region involve the creation of a pulp paper industry as the chief enterprise. This pulp paper industry may depend upon the large amount of hydro-electric power that can be made available here in abundance. The chief centers for the industry might be Juneau and Ketchikan.

There are four supplementary industries which may be developed for the exploitation of the other resources of the area: fisheries and fish canning; the manufacture of lumber products; extraction of minerals; and fur farming. The first three supplementary industries would be aided by the utilization of hydro-electric power, and the latter by the food resources for the animals which exist in the form of fish.

Agriculture in this area should not be regarded as a major occupation. There is, however, the possibility of establishing small vegetable and dairy farms for local market production as well as subsistence farming for settlers in the seaside valleys. Subsistence farming may be particularly useful for those workers whose industrial occupations tend to be seasonal, as for example, those connected with the fisheries industry.

The estimated number of refugees who could be settled in this one area of Alaska during the course of five years, is 80,000, including not only the breadwinner of the family, but also dependents. (See Table below.)

ESTIMATED NUMBER OF POTENTIAL SETTLERS IN SOUTHEASTERN ALASKA
OVER A FIVE YEAR PERIOD

<u>Industry</u>	<u>Number</u>
Pulp Paper	25,000
Lumbering and Wood Manufacturing	10,000
Fisheries and Canning	10,000
Mineral Extraction	10,000
Fur Farming	4,000
Agriculture and Dairying	5,000
Other Industries (principally consumption goods)	10,000
Professional and Commercial Workers	<u>6,000</u>

Total - 80,000

1. Markets for Southeastern Alaskan Products

Pulpwood: It has already been pointed out that the United States imports over half of its annual newsprint requirements from Canada and other countries. Alaskan pulpwood exists in such abundance in this region that one-fourth of the yearly newsprint consumption in the United States could be produced in Alaska in perpetuity and without depletion.

Mr. Charles Gilman of the Gilman Paper Company, when interviewed by our investigator, said there is no reason why a large scale development of the pulpwood industry in Southeastern Alaska should not be sound. Competition with Canada and Sweden, he believes, could easily be met. The only need is to secure the necessary funds for the construction of the pulpwood mills (there are none now in this area), and arrange with the Government for a long term lease on timber lands. This long term lease, assuring the paper mills of a permanent supply of pulpwood, could be easily arranged because the Government has already shown its desire to enter into such leases with private companies. It should also be mentioned that the Government regulations do not require immediate

payment for all standing timber on the leased land, but that payment can be made as cutting proceeds. This would eliminate the need for a large initial investment except for the funds required to construct the mills themselves. However, until an estimate is obtained of the cost of hydro-electric developments, it is not possible to determine the amount of capital needed for the pulp wood plants in this region.

Lumbering: There should be established in this area a number of plants for the cutting and manufacture of high grade Alaska and Red Spruce lumber, as well as of Alaska Cedar. Enterprises could also be established for the manufacture of furniture, toys and materials for airplane construction.

Fisheries: A number of fish canneries could be profitably established in this area although further consideration has to be given to problems of depletion, competition and the amount of capital funds required. Not only are the coastal waters fully supplied with varieties of fish which could be used commercially, but we also have examples of successful cannery factories in this region. The Indians of Annette Island in Southeastern Alaska, for instance, leased the fishing rights in their reserve to a cannery operator for five year periods. For the 1936 season the Indians in this community received \$117,000 as their share of the profits and about \$75,000 in wages. Ketchikan is at the present time the main cannery center, but plants might be established in other parts of the region.

We have noted the fact that at the present time the fisheries industry in this section of Alaska brings in each year thousands of temporary contract laborers from the west coast of the United States. This is not due to the need for cheap labor, but to the fact mentioned by the National Resources Committee: that it has been found "necessary because of the sparse population in the vicinity of the canneries."²¹⁾ Although the N.R.A. Code made steps toward the abolition of contract labor of this kind in the fisheries industry of Alaska, the need for labor still remains and points to the benefits which would arise if a large refugee colony were established there.

Mineral Extraction and Processing: This section of Alaska may be made the scene of a large scale mineral development wherein the water resources of the environs could be extensively used. After exploratory studies are made, it should be possible to establish plants for the extraction and manufacture of silver, lead, antimony, iron, platinum, nickel and zinc — all of which have been found and successfully exploited in this region of Alaska. The market for these minerals in the United States is increasingly large and there would seem to be little difficulty in marketing.

Fur Farming: Extensive fur farms may be established in the region specializing particularly in mink, fox and beaver. The market in the United States is the largest in the world; and since many of these varieties are at present imported in sizeable quantities, there would seem to be no marketing difficulty. Moreover, the fact that fur garments sell for a high price in the United States and that the market for them could be increased considerably by a reduction in the cost, would seem to give a particular advantage to the production of fur pelts in Alaska on a large scale. It has been shown that large scale production of fur pelts can materially reduce the cost per unit of the product; and that the high price at present prevailing is to a great extent due to the small scale or trapping methods used. Moreover, in this region of Alaska, the basic food for these fur animals, fish, is readily and cheaply available, thus further reducing the cost of production.

It need not be repeated here that the climate is peculiarly well adapted to this industry. The principal obstacle to a large scale Alaskan fur development would be the cost of transportation to the principal centers of manufacture in New York and Chicago. However, it might even be possible to process the furs in Alaska and ship them to the United States ready for immediate utilization. In addition, the transportation cost could probably be reduced if necessary.

Agriculture: The development of agriculture in Southern Alaska would have to be dependent upon and secondary to the industrial developments previously outlined. This suggestion is in conformity with the recommendation of the National Resources Committee.²²⁾ It would probably have to be confined to small vegetable and dairy farms producing for the local market in Southeastern Alaska. Subsistence farming, particularly for those engaged in somewhat seasonal industries (e.g. fishing) could help to tide families over the lean season and require less of a cash outlay for food.

Other Possible Developments in Southern Alaska

The development of the industries in this section of Alaska would be materially facilitated by the utilization of the water power resources which are available. Consideration should be given to the construction of a hydroelectric plant near Juneau at the head of the Speel River, and also a similar development near Wrangell, adjacent to the Bradfield Canal, as well as at Ketchikan. It should be mentioned that this power could be developed especially in connection with the newsprint industry, at a relatively low cost.

Recreation and Transportation: Although the recreational value of Alaska is becoming increasingly recognized, it has been hindered hitherto by the lack of adequate transportation and hotel facilities. However, these are not by any means insuperable obstacles, and the settlement of the country by refugees would tend to overcome them automatically. More than one authority believes that the recreational resources of Alaska constitute a potential economic asset which may eventually prove a greater source of revenue than the returns derived from minerals, furs and fishing.²³⁾ The National Resources Committee mentions as a primary cause for the small development of this resource, the paucity of the population of Alaska. If the population were increased and roads were built, the Southeastern section would undoubtedly derive a large revenue from recreational sources.²⁴⁾

The International Highway to Fairbanks will run parallel to Southeastern Alaska and when supplemented with feeder roads may provide not only a means of commercial transport to the United States, but also an artery of recreational travel.

B. The Southcentral Region

The principal occupation of the settlers in the southcentral region of Alaska should be agriculture. We have already seen the possibility of agricultural development in this area where extensive tracts of land exist and are capable of supporting a large population. However, remembering the injunction laid down by the National Resources Committee that agriculture in Alaska should be made dependent upon and collateral to industrial development, it is important to establish land settlements there together with certain supplementary industries which would, by employing other workers, provide a larger local market. The principal supplementary industries which are available for development in this region are: the manufacture of agricultural products; mineral extraction; fisheries; and fur farming.

The estimated number of refugees who could be settled in this area of Alaska during the course of five years if sufficient capital were invested is 81,000, including both the head of the family and his dependents.

ESTIMATED NUMBER OF POTENTIAL SETTLERS IN SOUTHCENTRAL ALASKA
OVER A FIVE YEAR PERIOD

<u>Industry</u>	<u>Number</u>
Agriculture	25,000
Agricultural Products Manufacture	10,000
Mineral Extraction	10,000
Fisheries and Fish Products	5,000
Fur Farming	10,000
Other industries, consumers goods	15,000
Professions and trades	<u>6,000</u>

Total - 81,000

1. Markets for Southcentral Alaskan products

Agriculture: It should be remembered at the outset that for the most part the agricultural products of Alaska would not have a ready market in the continental United States, and that therefore the agricultural settlement there must depend upon production for the Alaskan market. However, as we have seen, the local food needs are great, and they would of course increase as industries would develop not only in southcentral Alaska but also in the southeastern section. The southcentral region, therefore, may eventually become the granary of Alaska supplying food and food products to the entire territory. The fact that at the present time Alaska imports annually more than five million dollars worth of provisions which could be produced in the country itself indicates the great need for a domestic agricultural development.

There is no question of the availability of suitable agricultural land. Because of the relative mildness of its climate and the richness of its land, it is suggested that the principal area of refugee agricultural settlement in this section be the Kenai Peninsula. The only factor which has thus far prevented the development of this area has been the lack of good roads to connect the peninsula with the Alaska Railway. However, construction of this road would not provide any great obstacles or take an inordinate amount of time.

Another favorable agricultural settlement might be made in the Tenana Valley, further north. The climate is somewhat more severe during the winter but the soil is productive. The principal markets for the Kenai and Tenana agricultural settlements are found close at hand. The growing industrial utilization of the southcentral region, due to the settlements around the Alaska Railway make it possible to market without difficulty all food crops and milk products. There would be no difficulty in competing with food-stuffs

imported into the territory from the United States, because of the fact that transportation charges give the local producers an advantage. The Matanuska Valley Settlement recently established by the Federal Government indicates the possibilities of such a development for refugees. All of the major farm crops are grown here. Moreover, the towns in this area imported from the United States in 1935 agricultural products to the amount of \$1,180,000 and all of these products could have been produced cheaper locally. Roads do not offer any difficulty, for there is a sizeable network of well-graded and in places graveled roads. The Matanuska settlement of 200 families has shown that a wide variety of crops can be produced and marketed. Six months after transportation of the colonists had been completed all houses had been built, 101 barns had been constructed, and with the aid of outside labor 137 wells had been dug and roads had been cleared and graded. By the end of August 270 acres of land had been cleared and 1,185 acres plowed and planted. Eighteen months after the settlement had been started 55,000 pounds of vegetables had been stored in a community warehouse and a total of 100,000 pounds was expected by the end of the season.

Preparation of Agricultural Products: The National Resources Committee mentions as offering the best possibilities for expansion in this area dairy products, poultry and eggs, sheep and wool, cheese, potatoes, cabbages and carrots prepared for food utilization from local agricultural produce. 25)

The southcentral region offers an opportunity for the creation of industries which will utilize the agricultural products locally grown and prepare them in various forms for marketing as food stuffs. The most essential needs in this direction, as noted by the National Resources Committee, are creameries, cheese factories, canning factories for vegetables, and flour mills. 26)

Mineral Extraction: The chief market for the mineral products which may be developed in this region is, of course, the continental United States. The southcentral section has large but hitherto uninvestigated reserves of gold and other minerals which could form the basis for a thriving industry. Most of the gold production of Alaska has hitherto come as a result of placer methods of extraction. The potential lode production has not been fully exploited. There is a large lode gold producing center around Seward and a smaller one near Fairbanks. Less than half of Alaska has been surveyed for mineral products, even in an exploratory fashion, and it will undoubtedly be possible to find new industrial opportunities. The establishment of copper, antimony, zinc, silver, lead and iron also should provide extensive fields of

development. Moreover, the coal deposits in the southcentral section are widespread and have not been adequately exploited. The manufacture of consumers goods from such minerals as platinum, tin, nickel and chromite should be considered. Because Alaska at present imports a large quantity of tin cans from the United States for utilization in the canning industry, the principal mineral development in southcentral Alaska might well be the tin industry. The National Resources Committee indicates the desirability of further prospecting for tin in the western part of the Seward peninsula where the value per cubic yard of the tin that has been thus far extracted is extremely high. This area is close to the sea, so that transportation charges would be moderate and roads may be inexpensively constructed. Also, large bodies of chromite exist in the southern part of the Kenai peninsula, but have not been developed. Investigations still have to be made of the cost of mining and transporting ore to the market.

Fisheries: The most extensive reserves of fish in the world exist in the waters adjacent to southcentral Alaska. The problem here is not so much the production of the fishery products, but rather the marketing of these products, principally in the United States.

Fur Farming: The Kenai Peninsula has already been the scene of silver fox farming and as has been mentioned before, the market for these fur pelts is only limited in the United States by the present price of the product. The National Resources Committee recommends the encouragement of fur farming as a means of conserving wild fur bearers as well as for supporting Alaskan food produce farms in this region.

Other Industries: These basic industries could provide the fundamental sources of income for the refugee settlers; but there is also a great need in South Central Alaska for the development of industries which will manufacture consumers' goods for the growing population established in the railroad area. At the present time, most of these consumers' goods (clothing, furniture, various food products, etc.) are imported from the United States, although the resources of this section of Alaska provide the means for their manufacture locally if workers are brought in and a larger market is created. There would also be a great need for professional services, particularly doctors and teachers. A further consideration is the fact that the development of public services such as roads, sanitation, education, etc., will require professional workers in relatively large numbers.

VII

SPECIAL PROBLEMS TO BE CONSIDERED IN ALASKAN DEVELOPMENT

The National Resources Committee in its 1938 report mentions certain special problems which have to be considered in the development of Alaska. 28) First, there are fluctuations in Alaskan industries due to the fact that many of them are seasonal. This is one of the causes for the importation of contract labor in the fisheries industry. The Resources Committee mentions that if the population of Alaska were increased, this type of contract labor would become obsolete and the seasonal character of the industry would also become less of a problem. 29) As to mining, the reason why it has seasonal fluctuation is that to a great extent it has been confined to placer mining which is done in the springtime and summer. However, if lode mining were developed it could be made a year-round industry, although it requires a larger capital investment.

The second problem which has to be taken into consideration is the low standard of living of the natives and the need they have for protection against exploitation. Attempts have been made not only to prevent tuberculosis among the Eskimos, the rate for which is high, and to abolish the sale of liquor to them, but also to give them an assured means of livelihood in the form of a reindeer supply and reserves of resources.

The third problem lies in the insufficiency of public services in Alaska at the present time. The number of schools, highways, libraries and public utilities have to be increased in order to establish a higher standard of living. But as the National Resources Committee shows, these services can be supplied only if sufficient taxes are raised locally. However, these taxes cannot be raised unless a larger population is settled in the Alaska Territory. Moreover, this population should be a settled one in order to prevent the type of absentee ownership of resources which drains capital out of the territory. If a refugee settlement were established in Alaska, it would not only increase the tax receipts of the Territory, but would also benefit the entire population through increased commercial and industrial development and eventually in more adequate public services. 30)

One of the primary advantages in Alaska, which can be utilized to prevent the exploitation of the population and of its resources, and to negate the possibility of land speculation with its attendant evils, is that the Federal Government owns 99% of the land in Alaska and carefully controls its use by

private enterprise. Thus, the means are present for the exercise of a strict control over the development of the country to eliminate the abuses which may arise from uncontrolled exploitation.

VIII

FINANCIAL AND TECHNICAL ASPECTS OF A REFUGEE SETTLEMENT IN ALASKA

How could large scale refugee settlement in Alaska, involving about 160,000 persons within five years, be financed? It is clear that this large scale settlement cannot be accomplished on the basis of philanthropic funds alone; and therein lies the great advantage of an Alaskan settlement. For, as has been demonstrated, Alaska offers great possibilities for private business investment which could be stimulated through the establishment of a refugee settlement there. A tentative outline of methods of financing the project may be made as follows:

An ALASKA DEVELOPMENT CORPORATION should be established to sell shares of stock at \$25.00 per share, both to persons interested in aiding refugees and to persons and firms desirous of making a secure financial investment which will yield a fixed rate of interest, say, 3% per annum. It is believed that the Alaska Development Corporation can without difficulty obtain in this manner about 40 million dollars for the general development of the country.

The possible relations of the Alaska Development Corporation with the Reconstruction Finance Corporation, a federal agency which has in the past stimulated the financing of industrial developments should be investigated. The investors could be assured of a return on the investment and federal control over the corporate policies. The Reconstruction Finance Corporation has, it should be mentioned, already taken an interest in the development of Alaska and has furnished funds for this purpose.

In addition to the funds supplied by the Alaska Development Corporation, it should be possible to interest lumber, pulpwood, mining and fur producers in the United States in the establishment of Alaskan units and the investment of capital funds. In order to induce this type of investment, the Federal Government would, it seems possible, grant certain advantages so that a market could be assured. These advantages would not have to take the form of subsidies, but would rather involve attempts to negotiate trade treaties with other countries providing for the importation at low tariffs of Alaskan products, etc. Moreover, these industrial investors could be encouraged by private banking houses to share in the development of Alaska, and the latter could, if properly shown the advantages of such an investment, be induced to advance to private

corporations the necessary funds for the initial capital investment.

It should be mentioned here that there is no lack of unused capital in the United States. In fact, one of our gravest national problems is to encourage the productive use of capital now stored in savings banks and other capital reserves. The liberation of this capital reserve and its utilization in a productive way, would benefit the entire country and certainly would benefit the Alaskan population, both present and future. It is significant that one of the reasons given by the National Resources Committee for the previous failure to develop Alaskan resources, is that hitherto there has been no need for such development. However, it is now being realized that on economic grounds as well as on strategic grounds, this undeveloped territory should contribute to the national income.

The existence of a large territory which is undeveloped within the domain of the United States, provides to some extent a drain upon the continental United States. It would seem, therefore, that if the development of the territory can be shown to be useful as a means of solving the refugee problem and at the same time, as a means of benefitting the nation as a whole, the factors which have prevented such development in the past would no longer exist.

In addition to the aid granted in the development of a refugee colonization in Alaska by the proposed Alaska Development Corporation and by private industrial investors, the Federal Government would undoubtedly contribute. This contribution would not have to take the form of any financial outlay. On the one hand, government financial agencies like the Reconstruction Finance Corporation could, as has been mentioned, stimulate the development of the country through the encouragement and control over investments; and on the other hand, the Federal Government could, on the basis of the advantages to it of Alaska development, assist by building roads and improving harbors, granting technical assistance and marketing aid. This governmental assistance would not be a drain upon the Federal treasury because of the fact that tax receipts from the Territory would undoubtedly increase.

Settlement of Refugees: In launching the Alaska settlement project, it is essential that the undertaking embrace refugees of all faiths. Since Alaska is suitable for a varied economy of industry and agriculture, there is room for skilled and unskilled workers among the Jewish and non-Jewish refugees. Furthermore, by including the latter, the Jewish settlers will not have to make a readjustment to an exclusively Jewish environment and there will not be the danger of creating within the United States a purely "Jewish State."

The problem of training or retraining must receive due consideration. The Alaskan project offers certain advantages which will not be found in other projects suggested for other countries. First of all, because the Alaska development would not be solely an agricultural one, even from the beginning. It has been pointed out that industries may be established at the outset. It is true that during the first year or so at least the first settlers should be young men between the ages of 18 and 36. They should be employed, as were the original settlers in the Metanuske colony, in building homes, roads and industrial plants and facilities. However, after the bases for the settlement have been constructed by these original settlers, more normal life may begin with the immigration of refugee families. On landing in Alaska, the settlers should find facilities similar to those provided by the initial establishment of a CCC Camp. While occupied with the clearing of land and the building of roads and houses, short practical courses should be given in agriculture and in various types of industry. The training camp should remain a permanent project through which all settlers must pass and to which maladjusted individuals may be returned from any project for retraining. The training camp, however, should be practically self-supporting, with good dairy and poultry farms, wood working shops and mechanical trades.

The example of the Metanuske colonization project may be taken. Most of the settlers in that project were under 40 years of age. Each family was settled on 40 acres of government land, much of which remained in timber. The marketing, however, was done on a cooperative basis and all of the families were closely tied together in the common work of the colony. That is, although each family had its own house and plot for subsistence farming, all of the men at least, joined together in working the common agricultural section. Some of the women were employed as cooks and for the preparation of the product for marketing. The government supplied farm machinery and equipment on use-charge, lease, rental, or sale basis. A method similar to that utilized for the Metanuske settlement might be adopted for the refugee settlers.

The Alaska Development Corporation mentioned above, should supply farm machinery, livestock, etc., to be paid for by the settlers on instalments. Those settlers occupied in industrial pursuits, such as fur farming, pulpwood manufacture, etc., could make payments from time to time toward ultimate ownership of their homes.

The Alaska Development Corporation would arrange for the marketing of the products of the refugee settlement and also for the cooperative purchasing

of the necessary equipment and other supplies.

As to the timing of the settlement, it is proposed that an original colonization group of young people between the ages of 18 and 35 be recruited. This group should number approximately 10,000 and should be divided into two sections, one to be established in the South Central region and the other in the Southeastern. After six months, when houses are built and hardway is made in constructing industrial plants, a second group of 40,000 may be transported to the Territory. Subsequent immigration for the remaining four years of the five year period could be at the rate of 40,000 persons per year.

The cheapest form of transportation from the continent to Alaska would involve steamship passage to an eastern port of entry in the United States, thence by railroad to Seattle, and by steamship to Alaska. An alternative plan of transportation by water completely from Europe to Alaska by way of the Panama Canal should be investigated.

IX

LEGAL AND POLITICAL QUESTIONS INVOLVED

In order to make possible a refugee settlement in Alaska it would be necessary to exempt Alaska from the present quota provisions of the United States Immigration Laws which apply there. The Immigration Act of 1924 (43 Stat. 154) establishes quotas and includes the Territory of Alaska within the numerical restrictions. This Act, however, could be amended by Congress by adding to the category of non-quota immigrants those who under certain conditions settle in Alaska. Under the terms of the United States Constitution, Congress has the power "to dispose of and make needful rules and regulations respecting the territory or other property of the United States." (Article 4, Section 3). This congressional power is absolute except that, as held in the *Insular Cases*, Congress is bound by certain constitutional limitations, particularly those involved in the Bill of Rights, and other general constitutional guarantees for American citizens. Moreover, as was decided in *Binns vs. United States* (194 U.S. 486) the rule requiring uniformity of federal legislation merely restricts the taxing power and does not prevent legislation confined solely to Alaska. Furthermore, congressional legislation relating to Alaska need not have the consent of the local Alaskan legislature. The Territorial Legislature is an agent of Congress exercising legislative power that has been delegated to it by Congress (G. W. Spicer, The Constitutional Status and Government of Alaska, Johns Hopkins University Studies in History and Political Science, Series XLV, No. 4, pp. 80-1).

The Congress of the United States has the power to regulate and control the admission of aliens and may impose conditions of their admission to the territory of the United States. (Nishmure Ekin vs. U.S., 12 S. Ct. 336; Chee Chan Ping vs. U.S., 9 S. Ct. 623).

The attached bill (see Appendix) to allow refuge in Alaska to victims of persecution abroad would enlarge the category of non-quote immigrants so as to allow victims of persecution abroad to take up a residence in the Territory of Alaska under specified conditions designed to insure that such immigrants will maintain their residence in Alaska and will engage only in occupations that will not result in an increase of unemployment in the United States or Alaska. Immigrants so admitted will have the same legal status as other quote-exempt immigrants now admitted, such as students, teachers, and ministers. Should they violate any of the conditions of their admission they would become subject to deportation. While residing in Alaska they would be eligible for reclassification as quote immigrants whenever the quotes of their respective countries were reached. Once having been so reclassified, they would be eligible for naturalization. Upon attaining United States citizenship their special permits would be canceled.

The provisions of this bill aim at two objects:

- (a) To encourage the development of the population and resources of the Territory of Alaska.
- (b) To extend a humanitarian refuge to victims of foreign persecution.

The conditions specified in the proposed bill are designed to insure that immigrants admitted will represent a useful addition to the population of Alaska, and that the activities they may engage in, whether agricultural or industrial, will not result in increasing unemployment in the United States or Alaska.

Under such legislation, Alaska will be enriched by the addition of men and women who can help to develop the resources of that Territory, and the contribution of Alaska to the economy of the United States will be substantially increased. There are many products which the United States now imports from foreign countries, e.g. wood-pulp, serdines, furs, tin, gloves, and leather products, which could be produced in Alaska. Employment of immigrants in such industries, and in the ancillary agricultural pursuits that will be required to support an increased industrial population in Alaska, will not take jobs away from any Americans. On the contrary, such economic developments will increase the economic well-being of American workers. An increased

population in Alaska will provide a new market for consumers' goods made in the United States. Industrial development in Alaska will provide a new market for machinery and other forms of capital equipment and thus stimulate heavy industry in the United States. Building trades and maritime workers in Alaska will profit from such a program. Finally, such a development of refugee colonization projects in Africa or South America will be invested in our own territory in paying wages, taxes, and capital and commodity costs, here instead of abroad. This, again, is to the ultimate benefit of American workers and consumers.

It is not possible to predict at this time precisely what occupations will be found to be best adapted to the abilities of the immigrants and the needs of the national economy, or exactly how many immigrants can be cared for in Alaska. It has been said by Secretary of the Interior Ickes that Alaska, with a population of 60,000 has an arctic climate, and a supply of natural resources comparable to Scandinavia, with a population of about 13,000,000. The limiting factor in Alaskan colonization is likely to be the amount of private capital available for investment, rather than the arctic resources of the country. The proposed legislation provides for a flexible procedure under which the Governor of Alaska and the Secretary of Labor will decide, from time to time, on the basis of specific plans put forward by philanthropic agencies and private investors, what enterprises are feasible and how many immigrants can be safely admitted to engage in such pursuits.

The proposed legislation would constitute an important bulwark of national defense. Experts all agree that Alaska at the present time, with a population (half Eskimo and Indian) of one person per ten square miles, and with industrial development at a minimum, could not easily be defended against a hostile landing force. In the event of war with an Asiatic power, Alaska might easily become a base for naval and air operations against the United States. The best guarantee against such a contingency is an increased Alaskan population loyal to democratic institutions and made aware by bitter personal experience, of the threat to humanity which dictatorships abroad embody.

There is no conflict between the needs of these victims of foreign persecution and the needs of Alaska and the United States. There is no necessary inconsistency between the overwhelming desire of the American people to give some tangible assistance to these refugees and the unwillingness of the American people to break down our immigration quota system. It is the part of statesmanship to develop practical measures to harmonize and satisfy these objectives.

The draft below should be viewed only as a first effort towards the attainment of these purposes. Undoubtedly the terms of the proposed bill can be improved. Possibly there are entirely different approaches to the problem entitled to greater consideration. The attached draft is submitted in the hope that all honest criticisms, whether of the basic objectives or of the specific terms of this bill, may be taken into account before any bill is introduced in Congress and before any publicity is given to the project.

Another change in law would have to be made in order to enable the settlement of refugees in the Alaska Territory. The present Homestead Law permits only citizens to apply for and receive grants of land from the Federal Government for a specified term of years and under certain conditions. This law can be amended by Congress to include non-citizens who may thereafter settle in Alaska provided that within a certain period after their entry they should become citizens.

The political possibility of obtaining favorable congressional legislation along the above lines would seem to offer little difficulty at the present time. Although, in view of unemployment in the continental United States, there would be strong opposition to an increase in the present quotas, this opposition would not exist with reference to the settlement of Alaska. For, it is generally recognized that the development of the Territory is a national need on strategic grounds at least at the present time. Moreover, the very political elements which are most strongly opposed to the immigration of refugees into the United States (e.g. Senator Reynolds of North Carolina) are the most consistent advocates of the development of the country on military grounds.

The only large opposition to an exemption of Alaska from the quotas seem likely to come from congressional representatives of Vermont, Maine and New Hampshire because of the fact that they might to some extent have to meet the competition of Alaskan newsprint. However, the producers of newsprint in these States are at the present time having to meet competition from Canada and other countries and they would not, therefore, be affected by a substitution of Alaska for Canada as our principal provider of newsprint. The financial interests in the United States should welcome the development of a new field for investment. The farmers in this country, also, should not be opposed to the development of an area which will soon become a large market for certain American agricultural products which cannot be produced in Alaska. In other words, the settlement of refugees in Alaska is favored by the fact that it can be accomplished without running counter to the interests of any large

section of the American population and would, on the other hand, benefit many interests.

Moreover, the development of Alaska as a region of refugee settlement would lessen the pressure upon the United States for admission of refugees under the present quota and tend to attract them to the frontier areas of Alaska rather than urban centers where they now are finding great difficulties in adjustment. It would thus meet with favorable support by labor unions otherwise opposed to immigration.

The proposed bill exempting Alaska from the present quota could be introduced by a man such as Senator Robert F. Wagner in the Senate, and Anthony J. Diamond, delegate from Alaska, in the House of Representatives. There are many indications that the present inhabitants of Alaska would welcome a large scale settlement of the country by refugees and that, moreover, public opinion in the United States would welcome such a gesture. After the plans for the settlement have been made and all of the necessary legislation drafted, a campaign could be begun among church groups, trade unions, and business interests for support of the project, both financial and moral.

X

CONCLUSIONS AND RECOMMENDATIONS

The immediate needs are the following:

- 1) To make preliminary inquiries of government officials on the basis of this Report, to determine whether the plan in general is a sound one.
- 2) To obtain the support in principle of political leaders, including of course, the President.
- 3) The preparation of plans for the financing of the Alaska Development Corporation by Jewish organizations, business interests and leaders of public opinion.
- 4) To arrange for a more detailed study of sections of Alaska which could be made the center of refugee settlement. A competent group of land settlement experts should be sent to the Territory for this purpose; aided particularly by government authorities from the Resettlement Division, the Civilian Conservation Corps, the Department of Agriculture, the Bureau of Fisheries, the Bureau of Mines, and the Forestry Service.

Dr. C. C. Georgeson, formerly organizer and director of the Alaska Experimental Station in Juneau, has stated that Alaska has the potentiality for supporting by its agricultural resources not less than three million people, and that in this respect it is comparable to Finland. Although plans have

been made in this report only for the first five years of settlement, it seems likely that Alaska could absorb at least that number of refugees eventually. The construction of the Continental Highway from Seattle to Fairbanks and the industrial stimulus which would be given by the settlement of large numbers of people with large needs for American products, would seem to justify serious consideration of this project as an immediate possibility. In proposing the settlement of refugees in Alaska, however, it is important to stress the fact that other areas of settlement will have to be found in addition, if the refugee problem is to be effectively solved.

There are two additional considerations which are important:

- 1) Settlement on the land of Jews who for centuries have been living lives of insecurity in the interstices of European economy, would bring them a sense of security, and a normalcy in their psychology and living which they need;
- 2) For the Jews in the United States the pioneering venture of refugees, most of whom will undoubtedly be Jewish, should indicate to our fellow-Americans that the Jewish people can build up a country through their industry and will give visible and dramatic evidence of their loyalty to the principles of American democracy.

It has been mentioned before that the Alaska project should not be confined to Jewish refugees but should include all refugees. This is important not only because of its effect upon public opinion, but also because it would prevent any misunderstanding that might arise through the belief that a "Jewish State" is being created within the United States. It is our conviction that such a misconception must be avoided and that the refugees who settle in Alaska must be willing to place their faith in the principles of American democracy rather than in the need, which may be valid for Europe or in Palestine or elsewhere, to buttress their position by organizing themselves as an autonomous self-contained political group on racial lines. The guarantees of democracy and the full participation of refugees in the forms of self-government which have been established in Alaska, would we think provide them with the necessary security for their full development and for the development of the country itself.

NOTES

1. Some of the areas mentioned have been: Australia, Angola, Union of South Africa, Albania, Canada, Tanganyika, British Guiana, Mexico (Lower California), Ecuador, Paraguay, Brazil, Canal Zone, Panama, Colombia, Madagascar, Costa Rica, The Dominican Republic, Haiti, etc.

2. Many examples might be cited, but the point is well illustrated by the recent example of agitation in the United States by a group called SELAH for the cession of Lower California by Mexico so that a "Jewish State" could be established there. Quite apart from the fact that the economic resources of Lower California are negligible, the proponents of the plan by petitioning President Roosevelt and failing even to discuss their proposals with the Mexican authorities, have rendered their cause a lost one except if they are able to seize the country by a military expeditionary force. The Mexican Government is now prepared to try on grounds of treason any official who even discusses the matter with any outside parties. The Selah adherents, though, even in the face of opposition from the Jews in Mexico, have made clear their intention to continue their campaign.

3. The High Commission for German Refugees, under Mr. James G. McDonald accepted the impossibility of mass settlement and concluded that "infiltration" of individual immigrants was the only feasible method. See Norman Bentwich, Refugees from Germany (London, 1936), pp. 167. See also, pp. 160-173.

4. By Prime Minister Chamberlain on November 21, 1938.

4a. See the criticisms by David H. Popper of the Foreign Policy Association in the January Survey Graphic, pp. 23-5, "Mirage of Refugee Settlement."

5.

6. National Resources Committee, Regional Planning, Part VII, Alaska: Its Resources and Development (December, 1937) p. , hereafter cited as N.R.C. Report.

7. New York Times, December.

8. Dr. C. C. Georgeson, formerly Director of the Alaska Experimental Station.

9. N.R.C. Report, p. 15.

10. Ibid, p. 112.

11. Ibid, p. 37, p. 112, p. 124.

12. Ibid, p. 117.

13. Ibid, p. 122.

14. Ibid, p. 122.

NOTES (CONTINUED)

15. Ibid, p. 92.
16. Ibid, p. 101-2.
17. Ibid, p. 98.
18. Ibid, p. 102.
19. Ibid, p. 75-77.
20. Ibid, p. 109.
21. Ibid, p. 9.
22. Ibid, p. 112.
23. Ibid, p. 127.
24. Ibid, p. 127.
25. Ibid, p. 122.
26. Ibid, p. 122.
27. E. W. Allen, North Pacific, New York, 1936.
28. M.B.C. Report, pp. 9-14.
29. Ibid, p. 9.
30. Ibid, pp. 12-13.

Confidential Draft

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N E W H O R I Z O N S F O R A L A S K A

A Survey of Economic Resources and
Conditions for Future Development
of the Territory

April 1939
Washington, D. C.

NEW HORIZONS FOR ALASKA

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NEW HORIZONS FOR ALASKA

"Had the Pilgrim fathers settled at Sitka, Alaska, instead of at Plymouth, they would have found milder climate, better soil and timber, and more game, furs, and fish. Indeed, pioneer life in southeastern Alaska was so much easier than that on the New England coast, the question might seriously be raised whether the hardy enterprise of Puritan stock would have been developed under these more favorable conditions."^{1/}

Dr. Alfred H. Brooks,^{2/}
Director of the U.S.
Geological Survey.

I. HAS ALASKA THE PREREQUISITES NECESSARY TO DEVELOPMENT?

In estimating the potentialities of a country's developments, the size, climate and resources of that country are of primary importance.

Alaska is one-fifth the size of the United States (586,400 square miles). Its population, according to the 1930 census, totalled only 59,278 persons, a density of one-tenth of a person for every square mile. Its agricultural areas are estimated to be 65,000 square miles,^{3/}

^{1/} Brooks, Alfred H.: "The Future of Alaska", Annals of the Association of American Geographers (Dec. 1925), p. 163.

^{2/} Of Dr. Brooks, the National Resources Committee Report on Alaska says, "So efficient, in particular, was Dr. Brooks' work that it has often been remarked that there were but two who knew the truth about Alaska's resources, namely, Providence and Dr. Brooks." (See note 3 *infra*, p. 5.)

^{3/} National Resources Committee: Regional Planning Part VII - Alaska, Its Resources and Development (Dec. 1937), p. 114.

yet, in 1930, barely 14 square miles had been cleared for cultivation.^{4/} That its extensive mineral resources have scarcely been tapped is denied by no one at all familiar with the geology of Alaska. Besides the well-known reserves of gold, copper, and coal, it has been determined, though not to its fullest extent, that Alaska contains silver, lead, platinum metals, tin, iron, petroleum, quicksilver, antimony, arsenic, bismuth, manganese, molybdenum, gypsum, marble, limestone, nickel, chromium, sulphur, tungsten, zinc, graphite, asbestos, barite, clay, garnet, and jade in commercial quantities.^{5/} Commercial development of these various minerals depends in great part on the improved means of transportation with which to reach a market.

Sweden, Norway and Finland, lying in the same latitude as Alaska and subject to fairly similar climatic conditions, have a population density of 39.6, 22.59 and 27.3^{6/} persons per square mile respectively. The following table, prepared by the United States Geological Survey in 1925, sets forth for comparative purposes the resources of Alaska, Sweden and Finland:

- ^{4/} Bureau of the Census, U.S. Dept. of Commerce: "Outlying Territories and Possessions", Fifteenth Census of the United States (1930), p. 29.
- ^{5/} Smith, Philip S.: "Mineral Industry of Alaska in 1936", Geological Survey Bulletin 897-A, U.S. Dept. of the Interior (1936), p. 94.
- ^{6/} Statesmen's Year-Book (1938). These are official census figures of Sweden, 1936, and Norway and Finland, 1930.

Comparison of Resources of Alaska, Sweden, and Finland 7/

	Alaska	Sweden	Finland
AREASquare miles	586,400	173,550	144,250
AGRICULTURE AND FORESTRY:			
Farming and grazing land . . .Square miles	94,000	24,300	9,500
Cultivated landSquare miles	9	19,300	6,000
Agricultural population	1,009	2,663,000	About 1,000,000
Reindeer pastureSquare miles	240,000	40,000	8,000
WoodlandSquare miles	181,000	82,000	79,000
Good timberSquare miles	31,000	?	61,000
MINERALS:			
Placer gold reserves	\$350,000,000	None	None
Lode gold reserves	Very large	None	None
Copper reserves	Very large	Small	Very small
Iron reservesTons	Probably large	442,000,000	3,600,000
Platinum, tin, chromite, antimony, mercury, sulphur	Commercial deposits	None	None
Marble	Large deposits	Little	None
SOURCES OF POWER:			
Coal landSquare miles	12,000	309	None
Petroleum	Probably large re- serves	None	None
Total water powerHorsepower	2,800,000	3,500,000	1,500,000
Total developed water power . .Horsepower	50,000	1,100,000	165,000
FISHERIES:			
Fish exported in 1913Pounds	Very exten- sive 267,000,000	Extensive 100,000,000	Extensive 20,000,000
COMMUNICATION:			
RailroadsMiles	755	7,000	1,900
Wagon roadsMiles	1,030	38,830	27,240
POPULATION:			
Total(1920)	54,890	(1913) 5,429,600	(1908) 2,712,550
Per square mile	0.1	32	19

U. S. Geological Survey, 1925

7/ Brooks, op cit., p. 178

In referring to the above table, Dr. Brooks, Director of the Geological Survey, said:

"It shows that the area of Alaska is three times that of Sweden and four times that of Finland. If we compare the agricultural lands we find that there are much larger areas than in either Sweden or Finland. You will notice also that the mineral resources of Alaska are greater than those of Northern Europe. It also has water power comparable with either Sweden or Finland. A careful study of this table will convince anyone that from the standpoint of both resources and climate, we are justified in believing that Alaska will maintain a population per square mile at least as great as that of Finland. In fact, we may confidently expect that the time will come when Alaska will support a population of 10,000,000 people." ^{8/}

More recently, the Honorable Anthony Dimond, Alaskan Delegate to Congress, made the following remarks in corroboration of this statement:

"We shall confine our comparisons to Norway, Sweden, and Finland alone. We find by such comparison that Alaska exceeds in area the combined areas of Norway, Sweden, and Finland, which now support in comfort more than 12,000,000 people. . . . an examination of the geography shows that the total area of Finland is only 144,250 square miles, as compared with approximately 589,000 square miles in Alaska. We find that Finland has no natural gold reserves of any kind; has very little copper; that its iron reserves are much less than that of Alaska; that its total water power is less than that of Alaska; that its fisheries are only a fraction of the value of the Alaska fisheries; that its agricultural and grazing lands are approximately one-sixth of the area of the farming and grazing lands of Alaska; that it has no coal reserves, no petroleum reserves; in reindeer pasture Finland has 8,000 square miles, Alaska 240,000 square miles. And yet this country not only sustains a cultured as well as a rugged population of 3,500,000 people but it alone of all the European nations meets its national indebtedness promptly on the dot.

"A comparison of Alaska with Sweden, which has a population of 6,000,000 is equally favorable to the Territory.

^{8/} Ibid, p. 178

Sweden has an area of 173,550 square miles; its farming and grazing lands do not in area exceed one-half of that of Alaska, and yet its agricultural population comprises approximately 2,700,000 people. Sweden has in reindeer pasture about 40,000 square miles, as against 240,000 square miles in Alaska; it has in woodlands 2,000 square miles as against 181,000 square miles in Alaska. Sweden, like Finland, has nothing in the way of natural gold reserves, and its copper reserves are very small indeed as compared with the very large copper reserves of Alaska. It may be that in iron reserves Sweden surpasses Alaska, because we find its iron resources listed at 442,000,000 tons, while no survey has ever been made, so far as I am aware, of the iron reserves of Alaska. We know Alaska contains considerable iron, but it would be rash for anyone to try to compare it with Sweden in that respect. Alaska has large deposits of marble, Sweden little. Alaska, so far as known, contains 40 times as much coal as Sweden. Alaska apparently has large reserves of petroleum, and Sweden is entirely without this resource. Sweden surpasses Alaska, but not very much, in total water power, the figures being Sweden, 3,500,000 horsepower, and Alaska, 2,800,000 horsepower. The fisheries of Sweden, although extensive do not amount in value to half of those of Alaska. Now, in this connection let me point out once more that Sweden and Finland lie in the same latitude as Alaska. Finland touches the Arctic Ocean on the north and the Gulf of Finland on the south, and it is cut off from Sweden by the Gulf of Bothnia. Both of these countries are far enough removed from the Atlantic Ocean to be measurably deprived of the warming and moderating influence of the Gulf Stream. The climate of these two countries is, taken by and large, approximately the same as that of Alaska. So when I conclude, as I do, that the Territory of Alaska is capable of supporting in comfort a population of several millions, I am not drawing at all upon my imagination but basing it upon what has been done in the old world and upon an impartial consideration of geographic and scientific facts." ^{9/}

^{9/} "Alaska - Fact and Fiction", speech in House of Representatives, Congressional Record, 74th Congress, 2nd session, May 21, 1936, p. 5.

II. ECONOMIC BENEFITS OF ALASKAN DEVELOPMENT

1. Advantages to Alaska

The crux of the future growth of Alaska rests on new immigration, properly financed. Such immigration will bring both capital and manpower to develop those industries employing year-round workers, and will afford some opportunity for off-season employment for those now limited to summer industries. The development of such industries would be a concrete contribution towards the solution of Alaska's two greatest population problems: winter idleness and a transient working population. Out of the establishment of year-round industries would develop the opportunity for many auxiliary occupations such as the manufacture of lumber for new construction, the building of houses, factories, roads and bridges. Carpenters, masons, electricians, engineers, doctors, dentists, tailors, cobblers and barbers would be needed in an expanding Alaskan economy. These occupations are not limited to the summer months.

A permanent population thus accelerating local commerce would encourage intra-Territorial trade so that money earned in Alaska would be spent in Alaska.

An increased local market for agricultural products would encourage local production of vegetables, dairy products, and meat. Cutting away the high transportation costs now included in the price of food would reduce the cost of living and increase real wages.

Transportation and communication facilities would be improved and eventually offered at a reduced cost because of the heavier traffic needs of an increased population.

A larger tax-paying population would make possible greater Territorial investment in roads, public utilities, education, libraries, communication and other necessities of the public welfare.

In short, properly financed immigration will promote industry, increase permanent population, reduce absentee ownership, encourage internal commerce, and contribute to the finances of the Territory, thus making possible the establishment of community services which are so vital to Alaska before it can achieve its rightful destiny.

2. Advantages to the United States

Rapidly constricting foreign markets make an expansion of the Alaska market vitally important to the United States, particularly for the West Coast.

If an island should suddenly appear in the Pacific Ocean, populated by 2,000,000 highly civilized inhabitants, who should ask to become a part of the United States and offer to purchase one billion dollars' worth of American agricultural and industrial products every year, what would our reaction to the offer be? Would we not grasp at the opportunity to increase our markets and take perhaps a million men off our unemployment rolls? Yet this is that opportunity that Alaska offers. With a population of 60,000, Alaska purchased \$42,676,441 worth of American products in 1938; This figure was, for the same period, larger than our trade with Czecho-Slovakia (\$26,492,796), Denmark (\$24,810,760), Hungary (\$2,408,055), Ireland (\$26,947,071), Norway (\$22,566,800), Switzerland (\$10,584,766), Poland (\$24,695,903), Finland (\$11,991,287), Portugal (\$10,947,144), and Spain (\$12,225,913). Our total export trade with

Brazil, to whom we have made special and costly trade concessions, was but \$61,955,062, and with Russia whose market has been assiduously cultivated, totalled but \$69,691,498.^{10/} These are the actualities of the present. Potentially, Alaska offers a market larger than our present hard-fought-for export market in all of South America. With a substantial increase in population, necessitating as it would, heavy purchases of capital and consumer goods, (many of which obviously cannot ever be produced in Alaska), the United States would have a ready and exceedingly friendly market for exports totalling many times its present figure.

Again, it must be recognized that Alaska itself may become a great center in our future trade with Asia and with South America. The title of Anne Morrow Lindbergh's book "North to the Orient" came as a great shock to people who assume that the shortest route to Asia from San Francisco or Seattle is a western route. The fact of the matter is that a steamship course from Seattle to Japan via the Aleutian Islands (the Great Circle Route) is several hundred miles shorter than the route due west. Alaskan resources will assume increasing importance in the industrial development of Asiatic countries in the years to come. South America, too, is likely to provide an increasing market for such products of Alaska as furs, canned fish, and various metals.

^{10/} Monthly Summary of Foreign Commerce of the United States, U. S. Dep't. of Commerce, December 1938, p. 4.

The great importance of Alaska to the United States lies in its potential role in increasing the consumer market that supports American industry. Aside from this complementary part in the national economy, Alaska is destined to serve the United States as a strategic source of raw materials. The United States is notably deficient in supplies of tin, antimony, chromite, manganese and nickel, all of which are found in Alaska. The development of these resources cannot be left to future moments of emergency. The course of prospecting, of mining, and of constructing mills and smelteries involves years, if not decades. An intelligent concern for our future requires that that process be inaugurated at the earliest possible moment.

Finally, the increase of trade with Alaska that will come with an increased Alaskan population will prove not only a substantial advantage to our present shipping industry but a vital link in our national defense. The commercial and military angles of harbor development and road building can hardly be separated. As the National Resources Committee declared:

"If it be granted that control over lines of communication is the deciding factor insofar as greater security in time of war is concerned, then one clue is provided for the development of a sound national policy with regard to Alaska. Peace or war, the advancement of adequate communication with and within Alaska would seem to be a responsibility of the Federal Government."11/

11/ National Resources Committee, op. cit. p. 18

III. MILITARY NEED FOR ALASKAN DEVELOPMENT

An underpopulated country, rich in natural resources and poorly defended, offers a standing temptation to overpopulated, resource-hungry, militarized nations. Yet there is perhaps nowhere in the world a territory as rich in resources, as hungry for new population, and as poorly defended, as Alaska.

The sparsely populated Territory of Alaska, with an area approximately equal to Japan, Germany, and Italy combined,^{12/} and a vast potential wealth of minerals, forests, fisheries, agricultural and grazing lands, lies closer by thousands of miles to the Old World than do the eastern or western shores of the United States. The Alaskan mainland is approximately 54 miles from Siberia and a scant 8 miles separates the United States-owned Little Diomedé Island from Russian-owned Big Diomedé, both of which lie between the two great mainlands. The western-most end of the great Aleutian Islands "bridge" jutting westward from southern Alaska into the Pacific Ocean is only 660 miles from Japan's eastern-most port and naval base, Horomushiro, whereas it is 3,400 miles from Yokohama to highly fortified Honolulu; it is 750 miles from Ketchikan in southeastern Alaska to Seattle, and it is 2,100 miles from Honolulu to San Francisco! ^{13/}

Anthropologists tell us Alaska has probably been the stepping stone for many waves of immigration and invasions moving from Asia into the Western

^{12/} World Almanac 1938: Japanese Empire - 263,359 sq. mi., Germany - 181,699 sq. mi., Italy - 119,714 sq. mi. Total 564,772. Alaska - 586,400 sq. mi.

^{13/} Figures quoted by the Coast and Geodetic Survey, U. S. Department of Commerce, April, 1939.

Hemisphere. It is generally believed that the Americas were first peopled by tribes from Northern Asia, that crossed the Bering Straits and spread south. The earliest known white penetration into Alaska came from the Asiatic Continent when the Russians made their first discoveries of the country in 1728. Accessibility to Alaska was fairly easy even before the time of steamboats and airplanes; today, of course, its distance from foreign shores is no barrier to invasion.

United States military experts agree that Alaska is vulnerable. Today Congress is considering a proposed bill for the establishment of two great naval bases, one at Kodiak and the other at Sitka; the Coast and Geodetic Survey is even now charting the waters surrounding the strategically located Aleutian Islands, with an eye toward national defense. The late General William D. Mitchell, in testimony before the Military Committee of the House, said, "I think it (Alaska) is the most important strategic area in the world." ^{14/}

Alaska's coast line, due to deep indentures and configurations, is 15,132 miles long, whereas the combined Atlantic, Gulf and Pacific coast lines, totals but 12,877 miles. Consider the meaning of these figures. If we place our potential military forces at one tenth of our population, we could defend every mile of our Atlantic-Gulf-Pacific coast line with a thousand men. Alaska, with a total population of barely 60,000 people, could supply only one man for each two and a half miles of its coast.

^{14/} Quoted by Hon. Anthony J. Dimond, Delegate from Alaska, Congressional Record, March 25, 1938, p. 3.

This contrast in man-power is paralleled by a contrast in roads, rail-roads, telephone and telegraph lines, and other factors of civil life which are essential to defense.

Underdeveloped Alaska thus presents a very serious military liability. Under present conditions it would be entirely feasible for an Asiatic power to land expeditionary forces on the Alaskan coast, establish strategic footholds, and proceed to launch naval and aerial raids against Canada and the United States.

The only real safeguard against this danger is the rapid development of the population and resources of Alaska. With a population running into the millions and with the development of means of transportation and communication that such an increased population would demand and make possible, the problem of Alaska defense would be very much simplified. Both the War Department and the Navy Department have expressed their willingness to "co-operate with and support other Government Departments in formulating plans for developing the facilities in Alaska that contribute to the national defense, such as -- (a) civil aviation establishments, airways, aid to flying and weather reports; (b) mapping; (c) charting and aids to ship navigation; (d) development of mineral resources, particularly of strategic war materials; (e) roads; (f) control of alien fishing boats and fishermen; (g) prevention of alien monopolies of Alaskan resources; (h) the economic and commercial development of the Territory as a whole."^{15/} All of these objectives are based, spiral fashion, upon increased population in Alaska.

^{15/} National Resources Committee, op. cit., p. 206.

The present number of inhabitants can hardly justify the enormously expensive construction of these various forms of communication. In the history of land development, the costs of such services have normally been borne by the community in the form of taxes. It therefore follows that before roads are laid, harbors built, and efficient systems of water, rail and air transportation established, there will have to be many more than 60,000 people to make use of the services which, in the last analysis, are the rewards of popular needs. If military defense depends upon these factors, then military defense depends upon new immigration to Alaska.

One of the pressing reasons for Russia's "gift" to the United States in 1867 was that "to retain the land with its sparse population was an expense in time of peace and a menace in time of war, for both men and ships would be required for its protection."^{16/} There is no question but that the Russians found their trans-Pacific colony difficult to administer because of its lack of population, and no doubt military strategists felt the sprawling area too weak, from the defense point of view, to warrant a risk of war. The same problem of populating Alaska that existed for Russia in the early nineteenth century exists today for the United States, and there will be no adequate defense until there is a population sufficient to afford some measure of self-protection.

^{16/} Andrews, C. L.: Story of Alaska (1938), p. 123.

IV. AREAS MOST SUITED TO COLONIZATION

"Yet, in the emphasis on the dramatic phases of Alaska life its industrial significance, which is of greater importance, is often entirely neglected. Be it remembered that less than one-third of Alaska can, by location, climate and vegetation, in any sense be classed as a polar land and even this part is not without value to the human race."

Alfred H. Brooks,^{17/}

Alaska is a widespread country, and some of its outstanding resources are situated at remote points in the Territory. But in choosing favorable sites for colonization, particular consideration must be given to those localities which would, at least cost, lend themselves to the greatest variety of promising industrial and agricultural opportunities. Less risk would be incurred by a project based upon diversified resources than by a single-occupation project which might, in the course of events, fail for reasons beyond the settlers' control, such as a falling market, displacement, etc. And so, because they are closest to present transportation facilities, because they are abundantly endowed with natural resources, and because their climates are mild, the areas known as Southeastern Alaska, the Kenai Peninsula and the Matanuska and Susitna Valleys will be broadly sketched to present their possibilities as regions for large-scale industrial and agricultural colonization.

^{17/} Brooks, op. cit., p. 164.

1. Southeastern Alaska.

a. Size

The southern coast of Alaska is shaped like a broad crescent, the ends of which taper off in southeasterly and southwesterly directions. The southeastern horn is the area lying south and east of Mount Fairweather and is about 380 by 120 miles in extent, covering approximately 35,000^{17a/} square miles of land and waterways. This area may be compared with that of New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut which, according to the 1930 Census, supported 25,463,327 inhabitants in an area of 32,081 square miles.

Southeastern Alaska includes a narrow mainland strip on the seaward side of the Coast Range and an adjacent group of numerous large and small islands called the Alexander Archipelago. The most important of these islands are Baranof (1,610 sq. mi.), Admiralty (1,500), Prince of Wales (2,800), Chicagof (2,140), and Revillagigedo (1,120).^{17b/} The mainland and islands are indented and separated by an intricate net of waterways, some of which extend far inland and give the coast its fiord character which has made its scenery famous the world over. Because of its rough topography, and the effective waterway routes of communication, not much road-building has been accomplished. However, many short roads connecting towns and settlements have been constructed. The deeply indented coast line affords deep and protected harbors, where even large steamers can land their cargoes. Motor-driven

^{17a/} Woodward, R. W. & Haight, F. J.: "Tides and Currents in Southeast Alaska", U. S. Coast and Geodetic Survey, Dept. of Commerce, Pub. No. 127 (1927) p. 3

^{17b/} Henshaw, note 18 infra, p. 139

launches are used to reach out-lying places. The absence of severely cold weather assures navigable waterways the year round.

b. Climate

The climate of this so-called "Panhandle" of Alaska is not severe, as the warm currents of the Northern Pacific moderate the temperatures. It is a region of warm winters, cool summers, and heavy precipitation.

The mean temperature for the coldest month, January, at Sitka, is 32.2 degrees Fahrenheit ^{18/} which compares favorably with the mean temperature for the same month in Denver (29.8), Hartford (25.5), Chicago (23.7), Des Moines (20.1), Boston (27.9), St. Louis (31.1), Santa Fe (28.8), New York (30.9), or Minneapolis (12.7), and is almost identical with the mean temperature for Atlantic City (32.5) or Washington, D.C. (33.4). ^{19/} One or two points in Southeastern Alaska show a slightly higher temperature than Sitka (e.g. Hydraburg, 33.3 degrees) while Juneau, adjoining a glacier, shows a mean January temperature of 27.4 degrees. Because of the mildness of summer temperatures, the mean annual temperature at Sitka is only 43.9 degrees (as compared with a mean annual temperature of 49.1 degrees for Chicago).

The mean annual precipitation at Sitka is 83.64 inches, which is about double the rainfall of New York (42.99 inches) or Washington (42.16 inches).

c. Population

This area is the most populous, and most accessible section of the Territory, having a population, in 1930, of 19,304. All of

^{18/} F. F. Henshaw, "Surface Water Supply of Southeastern Alaska: 1909-1930" U.S. Dep't of Interior Bulletin 836-C (1932)p.147
^{19/} Statistical Abstract of the U.S.: 1937 pp. 133-144.

the nine cities in Southeastern Alaska, including Juneau, the capital and largest city,^{20/} are serviced with all modern community facilities, such as electricity, water systems, moving picture theaters, newspapers, etc. Ketchikan, southernmost city, is the first port of entry, a distance of 750 miles from Seattle. Freight rates are reasonable, and costs but slightly higher than at Seattle.

d. General picture

At the present time, Southeastern Alaska seems to offer the best opportunity for industrial expansion. It has dense forests and the volume of standing timber, primarily valuable as raw material for wood pulp and paper manufacture, is estimated to be 78.5 billion board feet. It has been estimated that the timberlands in this region can produce approximately 1,000,000 tons of newsprint paper annually in perpetuity,^{21/} approximating one fourth of the total consumption of the United States.

Fishing, mining and lumbering are the principal existing industries. The agricultural opportunities are limited because of the mountainous character of the country, the rainy weather during the growing season, and the heavy cost of clearing the densely forested lands. Home gardening of vegetables has been very successful.

Magnificent scenery and cool summers make opportunities for hotel and recreational development particularly attractive. There is a plentiful supply of wild game, upland game birds, waterfowl and trout. Mount Edgecombe, the only volcano in southeastern

^{20/} Population 4,043 (1930 Census)
^{21/} Heintzleman, B.F.: "Alaska" (from "The Western Range - A great but neglected Resource," Forest Service, U.S. Dept. of Agriculture), Senate Document 199 - Separate No. 17, (1936) p. 382.

Alaska, is on the small island of Kruzof. The Glacier Bay National Monument, consisting of a group of tidewater glaciers and a bird and wildlife sanctuary, is another feature. Carbonated, sulphur and hot mineral springs, used for many years by the Indians for their medicinal qualities, dot the Alexander Archipelago and the southeasternmost tip of the mainland.

Title to nearly all of the land is held by the Federal Government, and about 73% of southeastern Alaska has been included in the National Forest system to be administered chiefly for recreational use and sustained production of raw material for wood-using industries.^{22/}

e. Resource:

Timber products

The national forest land in southeastern Alaska contains, it has been estimated, 3,000,000 acres of merchantable timber.^{23/} This extensive resource will undoubtedly be some day commercialized primarily for the manufacture of wood pulp because of the excellent water power resources and cheap water transportation to market. Under a proper system of management, even large-scale pulp mills can be assured of an endless supply of raw material.

Most of the standing timber is in the Tongass National Forest, and a conservative estimate of the volume of commercial timber in the forest is set forth in the following table:

Species	Feet Board Measure	Percent ^{24/}
Western hemlock.....	58,000,000,000	74
Sitka spruce.....	15,800,000,000	20
Western red cedar.....	2,350,000,000	3
Alaska cedar.....	2,350,000,000	3
Total.....	78,500,000,000	100

^{22/} Heintzleman, B.F.: "Pulp-Timber Resources of Southeastern Alaska," Misc. Pub. #41, U.S. Dep't of Agric., (1928) p.33.

^{23/} Ibid, p. 9

^{24/} Ibid, p. 9

Western hemlock, the predominant wood, has a high value in the manufacture of wood pulp. It is the foundation of the pulp and paper manufacturing industry in British Columbia, Oregon and Washington. Wood pulp is the most widely used source for the rapidly expanding manufacture of rayon, cellophane and chemical cellulose derivatives. Bleached wood pulp of the very highest grade is used in this industry and western hemlock has been found to produce the quality needed. The heavy proportion of hemlock used by the pulp mills of the Pacific Coast is shown by the following figures from the United States Bureau of the Census on the pulp wood consumption of Oregon and Washington for 1935:

<u>Wood</u>	<u>Cords</u> ^{25/}
Hemlock	1,148,453
White fir	174,075
Poplar	4,859
Spruce and others	152,197
Slabs and mill waste	214,099

In addition to the superior qualities of western hemlock as a pulp wood, it is excellent for a great variety of uses. It is especially good for flooring for which it is widely used; and is satisfactory for other kinds of construction material from heavy timbers to inside finish. It is in good demand for boxes and crates and has proved satisfactory for furniture and veneers. Very little hemlock lumber is being cut in Alaska for the general market since it cannot be profitably shipped in competition with Puget Sound hemlock. Given, however, a greater local market its manufacture as lumber can undoubtedly be put on a profitable basis.

^{25/} National Resources Committee, op. cit., p.96.

Spruce, the second most plentiful saw timber, is becoming daily more valuable for airplane construction. It's light weight and relatively high strength make it the most desirable wood for wing beams. It is generally conceded to be the best pulp wood on the Pacific Coast and compares very favorably with white spruce, the standard pulp wood of eastern North America. Among its other uses are furniture, stringed musical instruments, ironing boards, oars, paddles and building materials.^{26/}

Western red cedar is close-grown, deep color and fine texture and is primarily valuable as excellent shingle material. Its quality of decay-resistance, ease of working, and lightness in weight give it high value in specialized uses, such as siding, boat-building, hothouse construction and tank stock. Western cedar has also been reported as used for carving, beehives, finish, trim, caskets, furniture parts, incubators, borders, moldings, patterns, pencils, picture frames, window frames and sash, light cooperage and drafting boards. The cedar of Alaska may some day be put to various specialized uses after the depletion of the cedar stands of Washington and British Columbia.^{27/}

Alaskan cedar has not been cut in quantity as its qualities and field of usefulness have not been studied carefully, and it is fairly unknown in the markets. Results in local use indicate a high value for specialized purposes. It is of very fine texture, easy to work, has a bright yellow color,

^{26/} Markwardt, L.J.: "The Distribution and the Mechanical Properties of Alaska Woods", Technical Bulletin 226, U.S. Dept. of Agriculture (1931), p. 20.

^{27/} Ibid., p. 12.

takes a fine satin finish and is extremely durable. It can be put to use for pattern making, furniture, toys, choice turned articles and cabinet work. Battery boxes and battery separators are now being made of it in British Columbia. For a long time it has been used locally for boat-building and for telephone poles. Small quantities have been exported to Japan in log form.

Wood pulp industry.

Southeastern Alaska affords excellent water power resources for the manufacture of pulp and paper. Principal sites offer unusually low development costs. The Orient and Australia are more readily accessible to Alaska than to the Pacific Coast States and British Columbia. The Gulf States and other sections of the Atlantic seaboard can be reached by water shipments through the Panama Canal. The approximate distance from Ketchikan, the most southerly Alaskan port, to some important markets are:

	<u>Miles</u> ^{28/}
Minneapolis, via Prince Rupert, British Columbia, and Canadian National Railroad.....	2,390
Chicago, via Prince Rupert, British Columbia, and Canadian National Railroad.....	2,700
Seattle.....	660
San Francisco.....	1,300
Colon.....	4,638
New Orleans, via Panama Canal.....	6,084
Savannah, via Panama Canal.....	6,663
Honolulu.....	2,450
Yokohama.....	3,911
New Zealand.....	6,550
Sidney, Australia.....	6,850

^{28/} National Resources Committee, op. cit., p. 101.

The United States is the world's greatest user of newsprint. The consumption is constantly increasing and for 1930 it totalled 3,700,000 tons. The great demand has depleted timber resources immediately available to the consuming center in eastern United States and the industry has had to reach out to fresh sources of supply represented by the timberlands of Canada, Sweden and Finland. The search for raw material has reached the stage where over seventy-five percent of the industry's requirements come from Canada and abroad. Newsprint has been duty-free since 1913.

The best projects for producing wood pulp outside of Alaska are now mostly taken up, and the drain on these foreign sources of supply is heavier than renewable growth. The costs of production from more remote reserves are not lower than those that could be enjoyed by mills operating in Alaska shipping via the cheap ton-mile route through the Panama Canal to Philadelphia.

The National Resources Committee Report in discussing the possibilities for a newsprint industry in southeastern Alaska says:

"The extensive forests of pulp-wood of southeastern Alaska are owned by the Federal Government and managed for a sustained production of timber; excellent water-power resources for industrial use are available; tidewater transportation both from the woods to the mills and from the mills to markets can be used; and an equable climate permits plant operation and unhindered shipping throughout the year. With these advantages this section of the Territory should be able to develop into a great permanent paper-making region, with model industrial towns, thoroughly equipped, efficient plants, and a population of skilled workers with a tradition for wood work and paper making.

"The substantial contribution the newspaper industry can make toward regional development is indicated by the following: Two workers are required in woods and mill for each ton of daily paper output and the possible sustained daily production of southeastern Alaska is 3,200 tons. The figure 4 is conservative as representing the worker and all dependents in the community, including workers in service industries. A total of 25,600 persons would thus be supported by a full development of the newspaper possibilities, and this should result in an increase of approximately 100 percent in the population of this section of the Territory.

"Alaska does not yet have any pulp and paper mills. British Columbia, with timber and physical conditions which quite closely resemble those of southeastern Alaska, has two newspaper mills and a number of pulp mills. The more northerly of these newspaper plants is located at Ocean Falls, British Columbia, 296 miles south of Ketchikan, Alaska. The establishment of newspaper plants in Alaska calls for merely an extension of the industry to a more distant section of an existing operating field represented by Oregon, Washington, British Columbia, and southeastern Alaska. It does not involve adaptation to an entirely new set of conditions or the surmounting of difficulties not already known to west coast operators.

"The Government policy in effect for the handling of the Alaskan national forests makes it possible to get a long-term supply of timber definitely tied to the mill. The modern newspaper plant represents an investment of from \$15,000,000 to \$25,000,000, and this investment can only be justified through control of the raw material necessary for a long-operating life. The practice of forestry by the Federal Government on the timberlands of the region with a view to producing a sustained yearly supply of pulpwood for the mills to be established there gives added assurance of the availability of a future supply of raw material. The fact that payment for the timber placed under contract need be made only as cutting proceeds eliminates the necessity for the extremely heavy, initial investment in standing timber that would be required of the manufacturer at the time the plant is established if the timber supply of the region were privately owned, or if the Government sold the timber outright at the start of operations. The method to be followed in disposing of publicly owned timber, as outlined above, is substantially the same as that followed by the timbered Provinces of Canada, where there has been a very great expansion of the newspaper industry in recent years. ^{29/}

29/ Ibid, p. 101

Fishing

Salmon fishing is the principal industry in Alaska and produces more salmon than any other fishery in the world. In 1938, of a total fish production amounting to \$50,225,025, the value of the salmon products accounted for \$42,677,210.^{30/} Next in order of their commercial importance is halibut, herring, clams, crabs and shrimps, and among those fish available but so far commercially undeveloped are trout, sablefish, rockfish, flounder, "lingcod", pollock, greenlings, and whitefish.

By far the largest proportion of the salmon catch goes into the production of canned salmon, and there is small question but that this branch of the industry is already developed to its fullest extent consistent with a policy of conservation.

In contrast to the salmon industry, the processing of herring and shellfish is still greatly underdeveloped and it is in these types of fish-product that opportunities for immediate expansion in the fish industry seem most favorable.

Herring

The 1938 catch in the herring industry, 216,721,994 pounds, was in quantity the highest in the history of the industry, and the lowest in value, bringing the fishermen only \$654,943.^{31/} This was because, except for little over two and one-half million pounds of herring, the catch was ground up for the production of fish oil and herring meal.

^{30/} Annual Report of the Governor of Alaska, June 30, 1938, p. 1.
^{31/} Harrison, R.W.: "Statement Regarding the Alaska Herring Industry, Bureau of Fisheries, U. S. Dept. of Commerce (1938) Table 1-Statistics of the Alaska Herring Fishery, 1913, 1918-1938.

Herring can be sold on the market in the form of far more valuable commodities, such as salt and pickled herring products. Although the industry did attempt, some years ago, to produce pickled and salt herring, it was soon crowded out of the market by herring imported from Great Britain, Canada, Newfoundland and Labrador, Holland, Norway and Iceland. Two reasons accounted for its failure: the first was the poor quality of the Alaskan product due to faulty packing processes, and, second, the poor contact the industry had with the consuming market so that sales were never very ably "pushed."

At the present time, the Alaska salt herring industry is practically extinct. The apparent domestic consumption, amounting to 37,366,790 pounds in 1937 ^{32/} is almost wholly dependent on imported herring. Only 5.64 percent is supplied by Alaska.

The revival of the herring industry to its former level of production would require no less than 500 saltery workers. It would revive gill net fishing (herring used for salting and pickling have to be large-size and net fishing affords selectivity--any size can be used in the production of oil and meal) which would require a larger number of fishermen than purse sein-ing as practiced today.

In addition the revival of Alaska salt herring would provide each year no less than:

40,000 man-hours of longshore labor on the Pacific Coast for handling salt herring products.

^{32/} Ibid., Table 2 - Comparison of Quantity and Value of Alaska Herring and Imported Salt Herring.

500 man-hours of longshore labor in handling salt.

10,000 man-hours of labor in salt manufacture.

50,000 man-hours labor on barrel manufacture.

Approximately \$150,000 revenue to transportation companies and an indefinite amount of labor in boat building and in fishing gear manufacture.^{33/}

While the fishing of herring for oil and meal does not have great value in the markets, it is a severe drain on the herring resources. The revival of gill net fishing for fish for salting would constitute a means whereby conservation measures would be instituted and at the same time materially increase revenue and employment.

Crabs, Shrimps and Clams

Japanese boats come into Alaskan waters to catch crabs, and transship the processed products from Japan into the United States market. This industry with proper packing methods, can be expanded to meet the demand in the market now being filled by the Japanese product.

Southeastern Alaska has plentiful resources of small, extremely tasty shrimps--the luxury fish of the shrimp family. So far it has been prepared for western hotel and restaurant trade, as fresh-frozen shrimp, and has not been introduced to the market packed in cans.

Clams are plentiful in the storm-sheltered inlets and bays of southeastern Alaska. They are large clams and rated as among the tastiest found anywhere. The digging and processing of clams may be part of other fishing enterprises to fill in off-season work.

^{33/} Ibid, p. 7.

The National Resources Committee, in evaluating the benefits of expansion in the fishing industry remarked:

"It is believed that the development of industrial processing in Alaska in such a way that local labor would be given employment the year around, instead of for a few months during the active salmon-fishing season, would have a very beneficial effect on the Territory as a whole and foster a more rapid increase in the population there. If the canneries could be assured of an adequate labor supply among the local inhabitants, it would be possible to eliminate the expense of transferring workmen from the States, as well as reducing other costs connected with the seasonal shift of employees from one place to another."^{34/}

34/ National Resources Committee, op. cit. p. 62

Fur Farming

The raising of minks for pelts or for sale as breeders is ideally suited to Southeastern Alaska. "Yukon" mink brings the highest price on the market today of any mink,^{35/} and, according to the estimate of Mr. Frank Dufresne, head of the Alaskan Biological Survey, present production in Alaska could be expanded at least one hundred times without affecting current world prices.

Mink farming requires but a few acres of ground,^{36/} little equipment and little experience.^{37/} The animals have a natural resistance which makes them immune to many of the diseases that beset other cultivated fur bearers and the risk of loss from disease is not great.^{37/} Fish is a chief item of diet ^{38/}~~36~~ and since fish waste is so cheap and plentiful in this region, the cost of feeding is negligible.

The cost of breeders runs from \$40 to \$60 each. Twenty females will produce, on the average, about 80 additional mink annually. Yukon pelts, in 1937, brought anywhere from \$20 to \$50 each.^{35/}

Mink farming is still in its very early stages in Alaska. However, great expansion in the industry is expected in the next few years due to the fact that cultivated mink produces a fur superior to that of wild mink^{40/} and brings a higher price in the market,^{36/} and because the supply of wild mink has been appreciably depleted and is unable to meet the volume of the current demand.

^{35/} "Mink-farming", Gettleman's Mink Ranch, Freehold, N. J. (1938) p. 7,11.

^{36/} U. S. Dept. of Agriculture, Bureau of Biological Survey: "Mink Raising", Wildlife Research and Management Leaflet BS-82 (1938) p. 2.

^{37/} See note 35, supra p. 6.

^{38/} Ibid, p. 8.

^{39/} See note 36 supra p. 5.

^{40/} Ibid p. 1.

Fur processing

Practically all of Alaska's great fur output, nearly \$3,000,000 in 1938^{41/}, leaves the Territory as raw pelts. Usually, it is consigned to fur commission houses in Seattle, where it is bought by representatives of New York fur manufacturers, and then shipped to New York to be processed and converted into coats.

Whether or not it is true that Alaska is too far from style centers, i.e. New York, ever to become a great fur manufacturing center, it is certainly possible to semi-finish furs before they leave the Territory and ship directly to New York. Many of the furs coming from Asia into the New York market arrive in partially processed condition. In addition, the manufacture of fur coats for the local market is a distinct possibility. As in the case of the herring industry, the chief problem is that of developing a more efficient marketing system.

Mineral resources

The full extent of mineral resources is not yet fully established and it is impossible to estimate, with information at hand, just what mineral can be commercialized at the present time and to what extent. However, at the present time there is limited production of lead, platinum, marble, copper, limestone and a little gold. Unworked deposits include gypsum, coal, asbestos, nickel and chrome. All of these various minerals will undoubtedly assume considerable importance as the development of Alaska proceeds.

^{41/} Annual Report of the Governor of Alaska, June 30, 1938, p. 4.

Recreation

"One of the chief assets of Alaska, if not the greatest," wrote Henry Gannett, then Chief Geographer of the U. S. Geological Survey, "is the scenery. There are glaciers, mountains, and fiords elsewhere, but nowhere else on earth is there such abundance and magnificence of mountain, fiord, and glacier scenery. For thousands of miles the coast is a continuous panorama . . . The Alaska coast is to become the show place of the earth, and pilgrims, not only from the United States but from far beyond the seas, will throng in endless procession to see it. Its grandeur is more valuable than the gold or the fish or the timber, for it will never be exhausted. This value, measured by direct returns in money received from tourists, will be enormous; measured by health and pleasure it will be incalculable."^{42/}

The historian of Alaska, C. L. Andrews, recently wrote:

"Switzerland claims two hundred millions of dollars of profit from her tourist trade annually. Alaska has more and greater natural riches to please the eye than all Europe."^{43/}

Of all the regions of the Territory, Southeastern Alaska presents the greatest recreational attractions, not only because of its accessibility but because in addition to its magnificent mountains, fiords, and glaciers, it contains some of the world's most beautiful forests, hot springs and mineral springs of many types, and big game in abundance.

^{42/} Harriman Alaska Expedition, vol. II, "General Geography" (1901) pp. 276-277.

^{43/} The Story of Alaska (1938) p. 238.

"More and more tourists, hunters, scientists, naturalists, photographers, and painters are turning to the North for their recreation," writes the National Resources Committee. "Alaska's recreational resources have been scarcely tapped . . . There is every reason to believe that tourist business in Alaska can be increased immediately and to a great extent through the establishment of improved boat, rail, and hotel facilities . . . There is general agreement that hotel accommodations and transportation facilities in Alaska are inadequate for even the present volume of tourist traffic."^{44/}

Agriculture

The cost of clearing land in this area, the rough topography and the thin soil on the hillsides all prevent any substantial development of commercial agriculture. However, the soil does produce excellent and heavy crops of root and green vegetables, making truck and garden farming a feasible source of income. It is, of course, entirely possible for every settler to have a garden plot for his own summer use as well as for winter canning.

Miscellaneous

The hair seal abounds in Alaskan waters from Nome to Ketchikan. It has little value as food, other than for feed on fur farms, and preys on salmon to such an extent that the Territory has placed a bounty of \$2 on every one caught. Its skin, however, which is leathery and grained in texture, might be put to a variety of uses by skilled leather workers, although at present no commercial use is made of it.^{45/} The skins are

^{44/} National Resources Committee, op. cit., pp 127-138.

^{45/} Bureau of Fisheries, Statement April 1938.

plentiful and cheap in the Territory, selling at less than a dollar each in bale lots.

There are a number of swampy peat bogs throughout this area and especially on the islands and the mainland of southernmost Alaska. Nurseries have recently discovered values in peat for mixture with soil in greenhouses and for promoting lawn growth on private grounds, golf courses, etc. Peat is readily available, requires very little preparation to be made ready for shipment, and there is a strong likelihood that it would find ready sale on the western coast.

Reindeer horns have no use or market in Alaska today. A craftman's ingenuity may make it possible to develop many small novelties for tourist and specialty trade out of this very cheap and abundant material.

2. The Kenai Peninsula

a. Size

Kenai Peninsula projects from the southcentral Alaska mainland into the Gulf of Alaska. It has an area of approximately 9,000 square miles, equalling in size the State of New Hampshire. The peninsula is bounded by Prince William Sound on the east, the Pacific Ocean on the south and Cook Inlet on the West. Its shore line is slightly over a thousand miles in length.^{46/}

b. Climate

The climate of the broad west slope of the Kenai Peninsula is not as severe as the climates of northern Minnesota, Montana and New York.

^{46/} Ellsworth, C. E. and Davenport, R. W.: "Water-power Reconnaissance in South-central Alaska", Geological Survey Bulletin 592-F, United States Department of the Interior (1914) p. 180.

Owing to the influence of the Japanese Current, the winters are comparatively mild and the summers cool. The temperature ranges from about 25° in the winter to about 70° in the summer.^{47/} Rainfall and snowfall are heavy, averaging about 65 inches and 80 inches annually, respectively.

c. Population

The total permanent population of the Kenai Peninsula in 1930 was 2,425.^{48/} The Peninsula has only two cities of importance--Seward located at the north end of Resurrection Bay, and Seldovia at the southern end of the Peninsula. Both of these cities have good harbors and landing fields, electric light systems, running water, libraries, etc.

d. General Picture

This area is still so close to its original state of virgin wilderness that no industries of any consequence exist except for the short summer industry of salmon packing. At one time, considerable gold was mined here and a few small mines still persist. Mink and fox-farming and big game hunting complete the occupational picture.

Timber products

Although most of the valleys in the Kenai are heavily timbered, the opportunities for any development of a wood pulp industry would be extremely limited for the present because of the far more favorable

^{47/} Alaska Territorial Chamber of Commerce: "Glimpses of Alaska" (1938) p. 105.

^{48/} 1930 Census.

timber supply and water power resources existing in Southeastern Alaska. Spruce and birch are the two most valuable woods available and could be utilized in the manufacture of toys, wooden novelties, furniture, flooring, etc. Birch, of which there is a sizable stand in the northern part of the Peninsula, is greatly in demand for use in the manufacture of Swedish modern furniture, now very much in vogue.

Fishing

The waters surrounding the Kenai abound with fish in more or less the same proportions as those found in Southeastern Alaska. Most of the canneries in this part of the country import the greater part of their workers from the Pacific coast because of the local scarcity of labor. Since the herring found in these waters are generally of larger size than those in southeastern Alaska, more favorable opportunities for a salt and pickled herring industry may exist here.

Fur farming

The raising of blue foxes and minks is suited to this climate and area. However, as blue-fox farming is still in its experimental stages and quite considerable knowledge and equipment is necessary to ensure its success, expansion is risky. Most of the successful blue fox ranching has been on small islands which afford a natural range for the foxes without necessity for pens or runs. Almost all of the islands suited to this purpose are now under lease.^{49/}

Mink farming can be as well adapted to this area as to Southeastern Alaska.

^{49/} Ashbrook, F. G. and Walker, E. P.: "Blue fox farming in Alaska"
U. S. Department of Agriculture, Bulletin 1350 (1925) pp. 1-2.

Agriculture

Along the western side of the Peninsula, in the valleys and around the Cook Inlet area are vast tracts of land suited to the raising of vegetables, berries and root crops (grain does not always mature here). There has been considerable interest in recent years in the agricultural potentialities of the Kenai, and a number of settlers have taken up homesteads here. Potatoes have so far been the chief money crop. However, with development of better transportation facilities, strawberries, radishes, lettuce, mustard, cress, turnips, kale, Brussels sprouts, broccoli, cauliflower can all be successfully raised on a commercial scale for the local market.^{50/}

The largest area available for farming is the Kenai Plateau lying in the western part of the Peninsula. It has been estimated that there is over one million acres of ground here suited to agriculture and livestock raising. The village of Homer, located at the southern extremity of the Plateau, is only 20 miles by water from Seldovia. Large ocean boats can dock at Seldovia, and smaller boats travelling between Seward and Anchorage touch at Seldovia, Homer, Ninilchik, Kasilof and Kenai, thus furnishing the Peninsular villages with a fairly regular mail and freight service.^{51/}

Minerals

In mineral resources, the Kenai Peninsula has some of the richest deposits of any part of Alaska. Gold was first discovered in Alaska

^{50/} "Homesteading on Kenai Peninsula", Special Bulletin Seward Chamber of Commerce, Seward, Alaska, p. 3.

^{51/} Ibid, p. 2.

at Hope, on the Kenai Peninsula. There is still some placer and lode mining in this area, but not to the extent of similar activities in the vicinity of Fairbanks and Nome. Copper and chromite have been commercially mined, though the extent of the operations was limited because of transportation costs. A low grade bituminous coal occurs in large quantities, especially in the vicinity of Homer. Surface outcroppings are so extensive that settlers put in their yearly coal supply only at a cost of hauling. Some petroleum seepage has been noted here but no very extensive drilling has ever taken place. There have been reports of nickel and platinum being present on the Peninsula, but these have never been verified.

Tourist trade

The Kenai Peninsula is a center for big game hunting. Bear, moose and mountain sheep abound in large numbers, and their great size makes them huntsmen's trophies. Trout, game birds, waterfowl, etc. can be found in abundance. Beautiful mountain-surrounded lakes in the interior offer ideal locations for camps and resorts. Some locations just a few miles from the railroad can be developed to attract not only huntsmen and sports' lovers, but stop-over tourist trade as well.

3. Resources in Other Areas

a. The Matanuska Valley

The Matanuska Valley, because of its proximity to the Alaska Railway and its development by the Government, offers probably the greatest possibilities in the field of agriculture in Alaska today. It is about 125 miles from the south coast of Alaska and 50 miles by

road from the thriving city of Anchorage at the head of Cook Inlet and is traversed by the Alaska Railroad. In area it covers approximately 200 square miles.

Climate and Population

The climate of the Matanuska Valley differs considerably from that of the coast. While the temperature is influenced by the warm waters of the Pacific Ocean on the south, the region is somewhat colder in the winter time, and warmer in the summer. The total annual precipitation ranges from 13 to 18 inches.^{52/} The mean temperature is 58.4° Fahrenheit for the summer and 11.9° for the winter.^{53/}

The growing season which is about 120 days is intensive because of the long hours of sunshine during the summer. Including the government colonists there are today approximately 1,000 people engaged in farming and dairying in this area.

All the crops that can be raised anywhere in Alaska can be grown in the Matanuska Valley. The most important of these are grain (wheat, rye, oats and barley), potatoes, root vegetables (carrots, beets and rutabagas), peas and hay, all of which have been successfully raised on a commercial basis. Bush fruits such as currants, raspberries and gooseberries do astonishingly well. Strawberries are another exceptionally successful annual crop. Dairy, poultry, beef, pork, sheep and turkey production offer excellent possibilities both in the favorable raising conditions pursuant to their production and in the local

^{52/} Alaska Agricultural Experiment Station, University of Alaska, "Information for the Prospective Settlers in Alaska", Circular #1, June 15, 1937, p. 9.

^{53/} Ibid., pp. 4-5.

market available along the railroad belt. There are vast areas of wild hay on which livestock and sheep can be grazed in the summertime. It is true that barns need heating during the severe winter weather, but poultry houses, properly constructed, need no artificial heating at any time.

Before the inception of the Matanuska Valley Project livestock raising had not been very successful because of the high cost of winter hay which had to be imported from Seattle at a cost of \$50.00 per ton. Hay is now successfully raised and sold at a profit by the Matanuska Farmers Cooperative Association for \$15.00 a ton, although milk still retails throughout this entire region at 25¢ a quart. There is an almost unlimited market for meat and dairy products, and the cost of their production has been materially decreased for incoming settlers by the already established marketing and processing facilities at Matanuska, such as a cooperative slaughter house, cannery and creamery. All these facilities are available to independent farmers outside of the project.

Besides agricultural opportunities, the development of the high-volatile bituminous coal fields in this area depends only upon the increased local market. There are also some very fine stands of birch trees that could be used for the manufacture of furniture, toys and other wood articles. The excellent wool produced by the sheep raised in this area could be converted into yarn, cloth, and even into actual winter wear by people skilled in cloth production and design.

b. Kodiak Island

Just southwest of the Kenai Peninsula lies Kodiak Island and adjacent smaller islands. Kodiak is about 100 miles long from north-east to southwest and about 60 miles wide from northwest to southeast. Its shores are so deeply indented with bays that no point on the island lies more than 18 miles from salt water. The climate is exceptionally mild and ranges from a mean temperature of 54.3° in the summertime to 29.5° in the winter. Only eight times in 46 years of recorded weather statistics has the temperature fallen below zero. Harbors and bays are ice free throughout the year. The principal means of transportation is by water. There are no roads in the interior of the Island. In 1931 the total population was 1,024.^{54/}

The chief industries are fishing and a little livestock raising.

Kodiak Island is of particular interest today because of legislation to establish a naval base on its northeastern coast at Womens Bay. The establishment of this naval base will settle about 1,000 people at this point, and will accordingly offer a quite sizable market for agricultural, dairy and meat produce. Previous attempts at farming and livestock raising on the Kodiak have been unsuccessful because of the insufficient capitalization and the excessively poor means of transportation now available.

On the Island are wide areas of grazing and agricultural land. The climate here is so mild that cattle can be grazed out of doors

^{54/} Capps, Stephen R.: "Kodiak and Vicinity, Alaska", Geological Survey, United States Department of the Interior, Bulletin 868-B (1937) pp. 94-104

the year round, offering an exceptional opportunity for cattle and sheep raising.

Fish similar to those available in the waters surrounding southeastern Alaska exist in the vicinity of Kodiak Island. In addition there are fine stands of white spruce which may be used for many kinds of timber products. Some desultory placer and lode gold mining has been attempted, and it may be that further operations may prove profitable at present market levels of gold.

c. Other Agricultural Areas

The Fairbanks district (Tanana Valley) raises wheat, oats, barley, and all root crops which can be grown elsewhere in Alaska. There are about 200 people in this region now engaged in farming and dairying, most of whom live from the land entirely. The area of the Valley includes 7,000 or more square miles. Winters here are very cold and summers short and hot. The most important crops are grain and potatoes. All vegetables yield abundantly in this region, and often achieve a size unequalled elsewhere. Livestock can be grazed out of doors four months of the year and must be fed during the rest of the time. Cold winters necessitate well-constructed barns and provision for artificial heat. The town of Fairbanks (3,000 population), located in the heart of this agricultural region and the mines in the vicinity, provide the principal market for produce.

In considering the agricultural potentialities of any of the above areas, it is important to bear in mind the conclusion of the

National Resources Committee that "...agriculture in Alaska should be closely corroborated with and made supplemental to local industrial development.^{55/}

d. Miscellaneous Mineral Areas

Tin

The only tin resources held by the United States lie in the Seward Peninsula on the west coast of Alaska about 50 miles south of the Arctic Circle. The quality of the tin found in Alaska compares favorably with any other produced in the world today. The tin ore recovered in 1937 is estimated to have been worth \$202,300, and although this represents a top figure in total annual production, it does not approach the limit to which the industry can probably be successfully expended.^{56/}

Tin is one of the resources in which the continental United States is entirely lacking, and from the standpoint of self-sufficiency in war-time, development of tin mining would be an important adjunct to the United States as well as the Alaskan economy. At the present time there are no tin smelters in Alaska.

Coal

Alaska contains very fine reserves of bituminous and lignite coal to the extent of 12,000 square miles of mining land.^{57/} The two principal commercial fields now in operation are located in the Healy

^{55/} National Resources Committee, op. cit., p. 112.

^{56/} Geological Survey, United States Department of the Interior, "Mining in Alaska in 1937", press release, July 14, 1938, p. 4.

^{57/} Brooks, op. cit., p. 178.

Railway Field in central Alaska, and the Matanuska Field, near the head of Cook Inlet. In 1938 total coal output from Alaskan mines reached the figure of 135,700 tons. All of the coal produced is for local consumption. However, not enough is mined at this point of development to fill the needs of the local market and in 1938, coal to the value of \$219,183^{58/} was imported from the States. Increased market due to increased population and industry will greatly expand the market opportunities for local coal production.

Petroleum

Although no petroleum for sale has been produced in Alaska there are definite indications of reserves particularly in the Iniskand-Chinitna District in the southcentral region close to the coast, as well as near Jute Bay, farther south on the Alaska Peninsula. Drilling at both of these locations has been started and many indications of oil have been found to the degree that operators plan to carry the tests further. There is a considerable market for petroleum in Alaska and in 1938, total imports of petroleum and products were valued at \$3,505,819.^{59/}

It would be impossible to prophesy at this time the part that mineral resources may play in a large scale settlement of the Territory. Completely adequate surveys have never been made, and commercial exploitation of minerals will depend, in great part, upon better transportation and availability of capital to explore the possibilities in this field.

^{58/} U. S. Dept. of Commerce, Bureau of Foreign and Domestic Affairs: Monthly Summary of Foreign Commerce (Dec. 1938) p. 37.

^{59/} Ibid.

V. ECONOMIC, HISTORICAL, AND LEGENDARY OBSTACLES TO DEVELOPMENT

1. Alaska-Mecca of Fortune-hunters

From the time of the earliest discovery of Alaska down to the present day, the news of fur and of gold has had a siren's lure for those hardy, adventurous men who preferred to gamble on a quick fortune rather than to spend their years in routine toil. Especially at the time of the Great Gold Rush of 1898, when men by the thousands "hit the trail" in search of a "strike", Alaska became imbued with a fortune-hunter's complex. Men became rich over night; and many, as quickly and in studied indifference, watched their gold disappear over the gambling tables in the wild, high-living boom towns. Food, equipment and clothing became hard to get and prices skyrocketed.

Of the thousands of adventurers in pursuit of a pot of gold, the prudent gathered their gains and returned to the States to establish a home and invest their winnings. Some, with a fortune won, unable to resist the lure of the roulette wheel, returned to their diggings year after year to glean again enough for another fling. A great number never fortunate enough to "strike it rich" became part of a roving band of prospectors whose hope never flickered and who still wander the hazardous trails in search of buried wealth.

Marriage was difficult under these conditions. The hard-living lawless wilderness held little attraction for women, and the land became populated with an overwhelming preponderance of men.

This philosophy of fortune-hunting turned men's minds away from the less spectacular opportunities in Alaska's other resources. Timber lands

and fisheries, and the more prosaic minerals held little appeal for men with a vision of gold.

2. War-toll

The years following the gold strike were years of promotion in Alaska. The prospecting disclosed other minerals which could be profitably mined only if transportation to market could be established, and great public demand for railroads was carried to Congress. Financiers became interested in the Territory; industries seemed on the verge of development; the future of Alaska assumed a rosy hue.

But a new cloud appeared on the horizon--a war had been declared in Europe. It was to be expected that Alaska, populated predominantly by courageous, adventure-loving men, would hearken to the call to arms. Men crossed the line to Canada to enlist in the British armies. In the ranks of the United States army were more soldiers recruited from Alaska (in proportion to the population) than from any State in the Union.^{60/} The loss of man power was a body blow to the future of Alaska. With the scarcity of men, costs of construction increased, the prices of commodities rose and plans for new industries gathered dust as it became apparent that the reservoir of manpower had dried up.

3. Spanish Flu

Scarcely had the Armistice been declared when the epidemic of the Spanish influenza struck with terrifying force. The absence of doctors,

^{60/} Hon. Anthony J. Dimond: Seward's Day Speech, Congressional Record, Mar. 30, 1933, p. 4.

nurses, and medical facilities over the widespread area found the population helpless. Whole villages of 100 and 200 souls were wiped out. The population figures from 1910 to 1920 give mute testimony of the holocaust--dropping as it did from 64,356 to 55,036.^{61/} This was despite the fact that immigration into Alaska was 50 percent higher than in the period from 1920 to 1930 when the population rose again to 59,278.

4. Character of Present Population

Today Alaska contains but one person for every 10 square miles of territory, in contrast to 41.3 to every square mile in the United States, 197 in France, 363 in Germany, 355.2 in Italy, 685 in Great Britain and 375 in Japan.^{62/} Without immigration this figure must decline because of the unusual composition of the population: Of the whites in Alaska today, the greatest percentage is male, an unusual fraction of whom are in the upper age brackets. This abnormal condition is in great part a result of the Gold Rush days, which left in their wake a residue of "sourdoughs" who never gave up the "trail." Contrasted with the United States, the situation stands out in sharp relief: In Alaska, there are 228 white males to every 100 white females - in the United States, there are 108.1 males to 100 females. In Alaska, 57.6 percent of the white population is over 35 years of age - in the United States, 46.6 percent is over 35. Of the white males over 15, 35.4 percent are married - in the United States 60.2 percent are married.^{63/} These conditions implicit in Alaska's present

^{61/} Fifteenth Census of the United States, 1930.

^{62/} Statesman's Year Book for 1938. These are official census figures for France, 1936, Germany, 1933, Italy, 1936, Great Britain, 1931, Japan, 1935.

^{63/} Because of the widespread area of the Territory and the consequent difficulty of recording births and deaths, these figures cannot be regarded as being wholly accurate. The vital statistics on the Indian population are especially inadequate.

population have resulted in the very low white birth rate of approximately 10.8^{64/} per 1,000 population as against the United States rate of 18.7^{65/} of the same year. This is not a very healthy situation for a young country in need of development and in need of workers to implement new industries.

5. High Cost of Living

Since so few products are home produced, and the market must be supplied from distant points, the cost of living is necessarily high. The following table of prices prevailing in Fairbanks in 1937, indicates a general level of costs at rail points in Alaska. These costs are somewhat less in the coast region, especially in bulky merchandise like lumber, hay and feed:

TABLE 66/

Commodity	Unit	Price
Bread.....	loaf	\$.18 and .25
Butter.....	pound	.50 and .55
Eggs.....	dozen	.50
Coffee, Hills.....	pound	.37 $\frac{1}{2}$
Sugar.....	pound	.09 $\frac{1}{2}$
Flour.....	100 pounds	7.00
Milk, fresh.....	quart	.25
Milk, evaporated.....	case	5.20
Potatoes, native.....	100 pounds	4.50
Canned fruits.....	dozen cans	3.75
Dried apples.....	2 pound package	.65
Dried prunes.....	2 pound package	.40
Beans, small white and Lima.....	6 pounds	1.00
Beans, Bayo.....	8 pounds	1.00
Bacon.....	pound	.50
Beef.....	pound	.35 to .55
Pork.....	pound	.40 to .50

64/ Since there are no birth statistics for Alaska available, this figure is computed from the total number of white children under 1 year, 312 according to the 1930 census.

65/ Bureau of Social Statistics, Department of Commerce. Statement April, 1939.

66/ Alaska Agricultural Experiment Station, Circular #1: See Note 52, supra, p. 33.

Commodity	Unit	Price
Kerosene, elaine.....	gallon	\$.60
Kerosene, pearl.....	gallon	.50
Gasoline in drums.....	gallon	.28
Gasoline, at service station.	gallon	.35
Lumber, rough.....	thousand feet	40.00
Timothy hay, outside baled...	ton	75.00
Local hay, not baled.....	ton	30.00 to 40.00
Oats, outside feed.....	ton	90.00

A general picture of freight rates from Tacoma or Seattle to rail points in Alaska is presented in the following table.^{67/}

	Matanuska	Per 100 pounds		Fairbanks
		Less		Less
	Car Load	Car Load	Car Load	Car Load
Meat, fresh.....	\$4.22	\$4.93	\$5.38	\$5.80
Canned goods.....	2.00	2.28	3.16	4.23
Sugar.....	2.00	2.28	3.16	3.67
Cement.....	1.04	2.28	1.51	3.67
Lumber.....	.97	2.28	1.34	3.67
Grain.....	1.21	2.28	1.73	3.67
Hay, DC.....	1.31	2.61	1.83	4.23
Mining machinery...	1.57	1.57	2.00	2.00
Farm machinery.....	.98	.98	1.00	1.00
Fertilizer.....	1.00	1.00	1.00	1.00
Eggs.....		3.11		5.08
Household goods				
Rel. \$10.00 per cwt.	2.00	3.65	3.16	5.97

The independent settler, therefore, not only must be equipped to pay the heavy and often prohibitive freight costs of bringing in his equipment^{68/} but he must be prepared to meet high living costs until such time as his land is cleared and crops made ready for market. If he is interested in livestock raising, he will find that so few cattle are available

^{67/} Ibid., p. 39.

^{68/} Ibid., The Alaska Experiment Station in advising prospective settlers says: "Settlers should purchase new machinery for shipment to Alaska. The freight rate on second-hand machinery is nearly as high as that on new machinery." Any one familiar with the cost of farm machinery realizes what heavy investment this advice entails.

in the Territory^{69/} that he in all likelihood may be compelled to meet the cost of importing his stock, taking the chance that the cattle will survive the trip and successfully readjust to the new climate.

Under these conditions, successful farming in Alaska requires heavy capitalization. But comfortable Americans with plenty of capital do not have the urge to begin life anew in an undeveloped wilderness. The result is that except for the government-financed Matanuska project, very little immigration of prospective farmers to Alaska has taken place. A large proportion of the people who have migrated to Alaska during the last few years were destitute when they arrived. This has so severely strained relief facilities in Alaska that both publicity stories and pamphlets emanating from the Territory emphasize the lack of opportunity for those with less than \$2,500 exclusive of travelling expenses.^{70/}

6. Effect of Immigration Laws

Although Americans with adequate capital do not ordinarily have any urge to settle in Alaska there have always been many Europeans who had both the means and the urge to start life anew in that territory. Among the white inhabitants of Alaska today 35% are foreign-born.^{71/} During the first 24 years of this century, according to the 1930 census, 5,797 foreign-born immigrants entered Alaska, that is to say an average of 241 per year. In the six years from 1925 to 1930, inclusive, only 253 foreign-born immigrants, an average of 42 per year, entered Alaska. In other words, the immigration rate declined 83 percent upon enactment of present immigration laws.

^{69/} Ibid., p. 39.

^{70/} Ibid., p. 33. See also Alaska Territorial Chamber of Commerce "Glimpses of Alaska", (1938) p. 20.

^{71/} 1930 Census.

The disastrous effect of the present immigration laws upon the population of Alaska was apparently never considered when these laws were enacted. Whatever justification there may be for the present quota laws with respect to the settled areas of the United States, there is no justification for applying the same yardstick to an under-populated territory whose future well-being depends on new immigration and new capital.

Today there are tens of thousands of Europeans who own or can raise the capital needed to start them in agriculture or industry in Alaska. They could bring to Alaska skills and capital that Alaska desperately needs. They could bring with them industries which they built in the countries of Europe. They could make of Alaska a center of world tourist traffic as Austria and Bohemia once were. They could make Alaska a world center for ship building, winter sports wear, wooden toys, fine leather goods and furs. They could make the harbors of Alaska thriving commercial centers for trade with the Orient along the short "Great Circle Route."

Industrial development in Alaska along these lines would provide a new market for machinery and other forms of capital equipment and thus stimulate heavy industry in the United States. Building trades in Alaska and maritime workers all along the Pacific Coast will profit from such a program. Finally, there are many American citizens and many religious and humanitarian organizations that would be glad to provide funds needed for the settlement of refugees in Alaska and for the building of industrial establishments and the purchase of lands. American funds which otherwise go for the relief of refugees abroad or for the development of refugee colonization projects in Africa or South America would be invested

in our own territory in paying wages, taxes, and capital and commodity costs, here instead of abroad.

Without in any way breaking down the national quota system for the States, it should be possible to devise some modification of existing laws or regulations that would take account of the special need of Alaska for increased immigration of individuals who can contribute to the building of the Alaskan economy.

7. Bleeding Alaska Dry--Absentee Ownership

In the 69 years since Alaska became part of the United States, there has been siphoned off from its extensive stores of natural resources, exports totalling over two billions of dollars. Investors living in the States were the chief beneficiaries of these exports, and the money into which they were converted went to promote the development of the United States in new industries, railroads, bridges, etc. The smallest fraction of Alaska's riches was returned to the Territory to become a part of its general economic structure. Just as the individual "sourdoughs", having made their fortunes, returned to the United States to establish themselves and contribute to the wealth of the States, so did the corporate investors in Alaskan mines and fisheries draw off great wealth with no thought of a debt to the Territory. The whole economy of the country is based on what can profitably be carried away and reinvested elsewhere.

Another aspect of absentee ownership that is hardly less serious is the ownership of land by settlers who have staked out their claims and then "gone out" to the States or to other lands. Because of the fact that there is no Territorial land tax, absentee titles and claims accumulate in

strategic areas. The lands in question are held out of production, because it becomes practically impossible to locate the owners or claimants. Such "untouchable" areas in the Matanuska Valley necessitated a wider scattering of the project farms, and a much greater expenditure for roads, than would otherwise have been necessary.

8. Unbalanced Employment

About 80 percent of the employment in Alaska is concentrated in the fishing industry, and 15 percent in mining. Railroads, road-building agencies and forest activities account for less than 5 percent. However, the work of the men in these industries and especially in the fisheries, is confined chiefly to the summer months, lasting from six weeks to six months, depending on the nature of the work. Due to the scarcity of labor in Alaska, not quite 50% of the labor is supplied locally in Southern Alaska, and only 20 percent of the labor in the Southwestern area is performed by Alaskans. The heaviest percentages of the seasonal employees consists of imported labor from the States, largely recruited from the Pacific coast.^{72/} This situation is again a great disadvantage to the Territory. The imported laborers carry their earnings away with them to spend in the States, and Alaskans, with an extremely limited field for winter employment, are frequently forced on relief to tide them over until the next working period.

The winter-slack in Alaska's industries is sufficiently large to constitute a perennial economic problem until such time as a decided expansion of winter industry occurs.

^{72/} "Facts about Alaska", issued by the Ketchikan Alaska Chronicle, 1932, p. 23.

9. Lack of Capital

The fact that profits from Alaska industries go to absentee owners, that over half of the wages paid in Alaska's industries are spent in the United States,^{73/} and that over 90% of the home consumption is of merchandise bought in the United States, means that little of the money earned in Alaska is re-spent in Alaska. There is little opportunity, therefore, for surpluses to accumulate and take the form of money available in the Territory for promotion of new industry by local investors.

10. "The Frozen Waste" and other Alaskan Myths

"It will be well to recall that many of the early opinions of the value of eastern America were unfavorable. The desperate struggle for life that was experienced by many of the first settlers on the Atlantic seaboard by no means convinced Europeans that the new land was suitable for settlement by the white race. The experience of the pioneers of the St. Lawrence, Massachusetts, Jamestown, and the Gulf of Mexico had raised serious doubts whether North America included anything but a tropical fever-stricken zone to the south and a barren polar zone to the north. This pessimism about the value of the Atlantic seaboard, exhibiting the ignorance of three centuries ago, suggests some of the present opinions on Alaska." ^{74/}

1. Frozen Waste?

The publicity given "Seward's Folly" at the time of its purchase greatly influences public opinion to this very day. People rarely think of Alaska as a place in which to live but rather as a land of snow and ice, fit only for Eskimos. The fact is, however, that snow and ice fields actually cover an area of only 18,000 square miles, or 3 percent of the entire Territory.^{75/} Winter temperature of the

^{73/} Alaska Territorial Chamber of Commerce, op. cit., p. 20; National Resources Committee, op. cit., p. 9; Ketchikan Alaska Chronicle, op. cit., p. 23.

^{74/} Brooks, op. cit., p. 163.

^{75/} Ibid., p. 169.

southern seaboard are higher than winter temperatures of Boston, New York, Chicago, or St. Louis.^{76/}

Alaska includes three general climatic zones: (1) The southern coastal region, having cool summers, warm winters and considerable rainfall. In this region there is no great variation of temperature. (2) The interior with long cold winters and short warm summers and fairly light rainfall. The temperature here varies from the extreme of -60 degrees Fahrenheit in winter to the semi-tropical temperature of 90 degrees in summer. (3) The Arctic zone with very long cold winters, very cold short summers and very low precipitation.

That people even from much warmer climates have no difficulty in adjusting themselves to Alaska, is witnessed by the fact that in the present population are 165 from the Philippines, 2,553 from California, 219 from Texas, 25 from Florida, 56 from Alabama, 27 from Central and South America, 235 from France, 1,696 from Germany, 397 from Austria, etc.^{77/}

Man-eating Wild Animals

At the time of the widespread interest at the beginning of the Matanuska Colony project, a number of misleading magazine articles were written about the Territory. One such article made reference to "packs" of wolves which roamed Alaska in groups of twenty to fifty. Dr. Vilhjalmur Stefanson, the famous scientist and Arctic explorer, includes the wolf pack fable in what he satirically refers to as "standardized misinformation". Delegate Dimond in a speech before Congress on May 21, 1936, said:

^{76/} See Chapter IV, supra.

^{77/} Fifteenth census of the United States - 1930.

"I have lived in Alaska more than 31 years, and during a substantial part of that period I was engaged in prospecting and thus had occasion to observe the habits of wild life of Alaska. I never saw a pack of wolves above five in number (probably a family, not a pack) and never knew anybody who claims to have seen such a pack. . . It is true that wolves are destructive of game, and the Territory pays a bounty on them (\$20.00). But not a wolf has been killed in the Matanuska Valley in five years." ^{78/}

Frozen Soil

Occasionally people who have sailed along the southeastern coast of Alaska and have seen the rugged mountain chain which fronts the coast for hundreds of miles with an occasional glacier breaking through decide that there is no possibility of successful farming in the Territory. This has caused a popular misconception of the agricultural potentialities of the Territory. Actually there are 94,000 square miles of farming and grazing land in Alaska.^{79/} Agriculture is still in its infancy, however, and until the establishment of the Matanuska Valley Project, there were but 14 square miles of improved farm land in the Territory. It has only been in the last twenty years that any foodstuffs have been raised and prior to that time it had been the custom of the gold miners and the fur traders to import all their foodstuffs except fish. Reports of per acre vegetable and grain production from the Matanuska Valley project indicate an extraordinarily heavy yield.^{80/} Delegate Dimond has said:

" . . . even a brief reflection and a knowledge of geography and climate should convince the people of the United States that Alaska is valuable for something besides its extensive stores of gold and coal, and copper, and oil, and its even greater resources in fish, and that there is in Alaska possibility for development of very large farming areas capable of supporting several millions of people." ^{78/}

^{78/} Congressional Record, 74th Congress, 2nd Session, May 21, 1936.

^{79/} Brooks, op. cit., p. 178.

^{80/} Colvin, Dr. H. M.: "Matanuska, A Brief Summary of the Progress of the Alaskan Colonists" (Mimeographed report) p. 4.

Mosquitoes

One of the tall tales told about Alaska is of the size and number of its mosquitoes. As a matter of fact there are very few mosquitoes along the southeastern coast of Alaska up to the coastal range. In the interior, wherever undeveloped land is covered with a blanket of damp moss, mosquitoes appear in swarms about the first of June, getting gradually worse until the middle of July and disappearing around the first of August. After the land has been cleared and the moss ploughed underground, the mosquitoes thin out to the degree that they cease to be a major nuisance. The Matanuska Valley colonists used head-net protectors to good advantage their first year but never found it necessary to put them on in subsequent summers. This experience has been equally true of other settlers in interior Alaska.

VI THE INADEQUACY OF UNPLANNED IMMIGRATION

Alaska today suffers from a vicious economic cycle:

Underpopulation over a large area leads to excessively high transportation costs.

High transportation costs result in a high cost of living.

High living costs result in high costs of production.

High costs of production and transportation make most industries unprofitable.

Lack of industrial development results in seasonal unemployment.

High living costs and seasonal unemployment discourage immigration and encourage emigration.

All of which results in underpopulation.

So the cycle goes on. The ordinary immigrant to Alaska cannot buck this vicious cycle. Unplanned, uncoordinated, inadequately financed immigration is, therefore, no solution to the economic problems of Alaska. Indeed, such immigration may aggravate those problems by augmenting the population on local relief rolls in winter months.^{81/} In order to meet the basic economic problem of Alaska a program of settlement must aim simultaneously to increase local population, reduce transportation costs, reduce the high cost of living, reduce costs of production (without reducing real wages), establish new industries, eliminate seasonal unemployment and thus encourage still further immigration. An adequate plan of settlement must combine agricultural and industrial expansion. Increased agricultural production in Alaska will reduce the cost of food which is now so great a factor in the high cost of living in Alaska.^{82/} On the other hand, increased industrial activity will increase the market for local agricultural produce. A balanced program of industrial development with special emphasis upon winter-month employment will reduce the economic drain of seasonal unemployment and the transportation of seasonal labor from the West Coast.^{83/}

Such a program may offer a real alternative to absentee control of national resource industries which now drains away the natural wealth of Alaska.

^{81/} Annual Report of the Governor of Alaska, op. cit., p. 1.

^{82/} Alaska Agricultural Experiment Station, op. cit., p. 33.

^{83/} National Resources Committee, op. cit., p. 9.

Any such program of agricultural and industrial expansion requires large amounts of capital and long-range planning. Such a program can succeed only with the encouragement of the Federal Government. Such a program should receive the active support and sponsorship of the Federal Government. It should receive this support in the first place because the development of the natural and human potentialities of Alaska is in the interest of the national economy and of the national defense. In the second place, such a program should receive the support of the Federal Government because some measure of governmental control is necessary to prevent unsound economic developments, such as exploitation by European and Asiatic interests, speculation leading to ghost towns and stranded populations, interference with the economic life of the Indians and Eskimos and exploitation of natural resources contrary to sound conservation principles.

The Federal Government thus has a definite and specific responsibility with respect to the future of Alaska. The ways of fulfilling this responsibility are not difficult to map.

VII. PLANNED IMMIGRATION - TWO STYLES

Twice in the past 50 years has the Federal Government actively encouraged settlements in Alaska.

The most recent and most widely publicized of these efforts is the Matanuska Valley project, and the other is the older and little heard of town of Metlakatla situated on the Annette Islands on the southernmost tip of eastern Alaska.

In considering the problems of Alaskan settlement we have much to learn from both experiences.

1. MATANUSKA

In 1935 the Federal Government transplanted 200 families, who were on relief rolls in the North Central States, to the Matanuska Valley. Agricultural land was purchased by the Government and each family was given a 40-acre tract, a comfortable home, a well-constructed barn, farming equipment and stock. New roads, community and farm buildings were constructed mainly with W.P.A. labor. Each family was liberally supplied with credit for the purchase of furniture, clothing, food, and fuel and for other necessities during the first year. A school, hospital, and other public buildings were all furnished by the Federal Government, and the extensive road system was likewise financed by the Federal Government.

The Matanuska project was instituted on a frankly experimental basis. It was not intended as a solution to the unemployment problem of the United States. It was hoped that the project would throw light on agricultural possibilities in the Matanuska Valley, on costs of resettlement, and on the human problems involved. The project was carried on in

a political goldfish bowl under glaring and continuous publicity. There are naturally many widely conflicting views as to what the project proved. Amid this welter of conflicting views, however, certain hard facts stand forth. First, there is the fact that most of the 165 families there who were a few years ago on relief rolls are now making a comfortable living from land which was a few years ago a moss and scrub-covered waste. Some of the colonists have grossed as high as \$6,000 a year on their sales of fresh vegetables, canned products, meat products, butter and eggs. Matamuskwa-grown produce finds ready sale and premium prices along the railroad-belt markets.

The crop year of 1937 fully sustained favorable soil surveys and forecasts of the Alaska Agricultural Experimental Station upon which the colonization of this area was based. Fine flavored beets, carrots, cauliflower, potatoes, radishes, rhubarb, rutabagas, turnips, strawberries, raspberries, gooseberries, and currants were raised. Barley, oat, and pea hay had to be cut to keep it from falling of its own abundance and weight. The following per acre yield for 1937 shows what the colonists have proved the producing capacity of the land thus far to be:

		<u>Average</u>	<u>Top production</u>
Carrots	per acre	4 tons	6 tons
Turnips	" "	15 "	16 "
Potatoes	" "	200 bushels	350 bushels
Oats and Pea (or vech) hay	" "	2 tons	3½ tons
Oats	" "	40 bushels	60 bushels
Barley	" "	28 "	35 "
Wheat	" "	20 "	28 "

84/

The above table represents the yield of virgin forest soil, which has to be cultivated the second year before it begins to really "unsour". It does not show its full yield until the fourth.

Yet, despite these outward signs of accomplishment a large part of the American public feels that Matanuska has involved a waste of Federal funds. There is some basis for this feeling. Estimates of the expense per family involved in this project, including land-purchase, road-building, and the construction of houses and barns through hired labor, run from \$10,000 to \$35,000. There is general agreement that the expenses of settlement were so high that a repetition of the project either on a governmental or on a private basis is not likely in the near future.

It is scarcely possible to analyze within the compass of this pamphlet the reasons for the high cost of the Matanuska project. The best evidence of the fact that these high costs are not a necessary element in Alaskan colonization is provided by the stubborn facts of another Alaskan colonization project, the refugee community of Metlakatla.

2. METLAKATLA

In 1887 a group of 800 victims of religious persecution in Canada asked permission to settle in Alaska on a group of uninhabited islands about the size of New York City. Permission to settle was granted by the Secretary of the Interior and in 1891 Congress enacted a law permanently reserving the islands for this refugee colony.

Today this colony is the outstanding, perhaps the only, self-supporting community of Alaska. In general, governmental expenditures for Alaska have exceeded governmental receipts, over the past five or six years, by from 800 to 2,000 percent. These are the figures for

Alaskan revenues and expenditures for each fiscal year since 1933:

<u>YEAR</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
1933	\$213,828	\$4,698,562
1934	267,197	5,647,425
1935	377,214	6,379,517
1936	448,833	8,369,796
1937	775,549	7,242,973

The town of Metlakatla, on the other hand, has made a net profit of some \$400,000 in the last five years. This profit has been derived primarily from the town cannery. The former mayor of Metlakatla, Roderick F. Davis, recently made the following statement in connection with the finances of the town:

"We soon found that the money we earned through fishing was more than we needed, so we began to spend it on modern improvements. We bought a hydroelectric plant. We installed electric heat and light. Then all sorts of modern equipment. Now we have the only municipal hall in Alaska. It cost \$60,000. We have a 60 piece band. We play baseball, basketball, everything you do. It was all paid for with the profits from the cannery.

"The U. S. Government gave us a start and we have carried on. The only thing U. S. does entirely now is educate us."^{85/}

The prosperity of Metlakatla as a town is paralleled by the prosperity of its inhabitants. Most of the men of Metlakatla own motor boats valued at from \$2,000 to \$20,000. Practically every family owns a comfortable home. More than one-fourth of these homes contain pianos or organs. Standards of health, education and public morality are not surpassed by any other community in the United States.

Metlakatla is probably the outstanding example in recent times of a successful refugee colony. The fact that these refugees were Indians is no reason for refusing to learn from their experiences, unless we believe that white men are incapable of equaling Indian achievements in industry.

^{85/} Washington Star, Jan. 14, 1939, p. 9.

The measure of the success of the Metlakatla colony may be found in the contrast between the present condition of the community and its condition in 1887.

As a result of friction between the English Missionary Father Duncan and the authorities of his Church, who were backed by the Canadian Government, the native followers of Father Duncan had been subjected to a series of petty persecutions. This is the description given by J. W. Arctander in his book "The Apostle of Alaska", of the situation that faced these refugees in their hour of need:

"It seemed to these people as if there was nothing to live for now. Justice had been denied them everywhere--by ministers, and governors, and premiers, and now, at last, by the courts, their final hope, their last resort. The Church was harassing them, the State was incarcerating them, and stealing the possessions which they had inherited from the fathers of their fathers."^{86/}

Some there were, it is reported, who proposed to take up arms and make a last stand. But the majority urged a peaceful course:

"* * * 'Let us go to the great land of the free. We are slaves here. There we can be free men. We love this land. We love this beautiful place, where our fathers lived and where our children were born; but we love Christ more. Two wrongs cannot make one right. Let us go to Alaska, where we can worship God as we think right--where there will be no bishop to worry and tantalize us--where, as Mr. Duncan tells us, every one can have his own religion without any persecution, either from church or government. Let us go to a peaceful life--to a life in God.'^{87/}

Accordingly, the leader of the group, the missionary Father Duncan, traveled to the United States to secure the promise of a place of refuge.

^{86/} Arctander, J. W.: The Apostle of Alaska (1909) p. 287.

^{87/} Ibid, p. 288.

Arctander describes the results of that appeal in these words:

"And he did not appeal in vain to grand, warm-hearted men like the silver-tongued Episcopalian Bishop Phillips Brooks, in Boston, and the patriotic Henry Ward Beecher, in Brooklyn. Both of them opened their magnificent churches for him, and gave him their moral support in a unanimous request by their congregations to our Government, to grant these homeless Indians a refuge in our Alaskan Archipelago.

"Arrived at Washington, he was received by the representatives of our Government, President Cleveland, his Secretary of State, and of the Interior, and his Attorney General, with friendly feelings, and assured privately that he and his Indians were welcome to choose themselves a home in Alaska, and that, in time, undoubtedly some action would be taken by the Congress fully to secure them in their rights, if they themselves would select an island suitable to their purposes; but that officially nothing could, at that time, be done which might be construed by Great Britain as an unfriendly act to the Canadian Government, or to the government of any of its provinces.

"This promise was honourably redeemed, when, in 1891, at the solicitation of these same government officials, as well as of the then Governor of Alaska, the Congress of the United States did, by the Act of March 30, 1891: 'Until otherwise provided by law, set apart the body of land known as the Annette Islands, in Alexander Archipelago, in Southeastern Alaska, as a reservation for the use of the Metlakatla Indians, and such other of the Alaska natives as may join them, to be held and used by them in common, under such rules and regulations, and subject to such restrictions, as may be prescribed from time to time by the Secretary of the Interior.'^{88/}

* * * * *

On August 7, 1887, the refugees' exploring party, headed by Father Duncan, had landed on Annette Island and the American flag had been hoisted for the first time on that shore. Tents were set up by the little exploring party, and one of their number, George Usher, was sent back to British Columbia to summon those that had remained behind. Stopping his

^{88/} Ibid, pp. 288-289.

canoe a little offshore, he chanted this message to the community that had congregated on the beach to hear it:

"The great chief has come.
He has gone to our new home.
Now he sends me to you.
He bids you come, one and all.
We shall be slaves no longer.
The land of freedom has accepted us.
The flag of the "Boston men" is hoisted
At the site of a new Metlakatla.
It will protect us and our freedom.
We can worship God in peace.
We can secure the happiness of our children.
They will be the freemen of a great nation.
Come, therefore, one and all,
Gather your little ones around you.
Push the canoes from the beach.
Good wind will fill our sails;
We will hasten to the land of freedom."

"Hardly had the last note died away over the waves, when the scraping of the canoe-keels on the sand was heard. In less than an hour, ten canoes, filled with men, anxious to see with their own eyes their new home, were on the way.

"After temporary log huts were erected, the return voyage was made. And now, as the pilgrim fathers of old, they came back with women and children, and with what little of their possessions they were allowed to take in canoe fleets,

* * * * *

"But, though cruel persecution asserted itself at the very last moment, and denied them the right to take along even the windows and doors of the houses they themselves had built, the sawmill machinery, and the lathes and other machinery they had owned, the looms they had bought and paid for, the very organ in their church, to which every Indian had contributed his \$2.50, or \$500 in all, the carpet, which their women had provided for their church, after the rupture, the prows of their canoes were headed North, towards the land of freedom, towards a haven of rest from petty spite and persecution, and the sobs of parting were choked down, and the brows lifted in hope and courage.

"In that hour, big with the future, all was soon forgotten but the glorious hope of the morrow lying ahead of them.

"Though deprived of all they had toiled for during a lifetime, though smarting under the cruel injustice, which had, in the name of Holy Church, taken from them what was theirs, and driven them from hearth and home, appropriated their houses and gardens, their church and school, without a penny of compensation; nevertheless this host of Christians went forth to a strange land, in their hearts of hearts glad to sacrifice what they did for the sake of their faith and religion, and smiling through their tears." 89/

In 1887 these refugees brought to their new home only such possessions as they might carry in their canoes. In the new land there were no houses, barns, Federal subsidies or squads of W.P.A. labor awaiting them. They built up their town, their homes, their municipal hall, their cannery with wood and rock they found on the island and with their own labor and the savings from their own wages as fishermen.

3. THE LESSONS OF THE PAST

Neither Matanuska nor Metlakatla can be repeated, but in a sense they represent the two extremes between which future settlement in Alaska is likely to proceed.

In the one case a tremendous amount of capital was supplied by the Federal Government. In the other case, there was no Federal capital and very little private capital.

In the one case there was a group held together by common experiences, common ideals, and a group leader of extraordinary dynamic force. In the other case, individuals were thrown together by forces which none of them controlled, without the binding force of voluntary association or family relationship or ordinary neighborliness: two hundred families

89/ Ibid., pp. 293-295.

selected by local relief administrators, selected sometimes for no better reason than that the Relief Administrator wanted to be rid of them, were told to form a community.

The Matanuska project was based entirely on agriculture. The settlement at Metlakatla was based primarily upon industry -- industry which utilized all available natural resources: wood, fish, furs, and hydro-electric power -- and produced boats, furniture, barrels, barreled fish and, later, canned fish, clothing, soap and many other salable commodities.

Out of the contrasts of these experiences we may distill some of the elements of successful settlement in Alaska: (1) A group of human beings bound together by a common tragic experience and by common ideals will assume the responsibilities of a self-supporting community under circumstances where individuals who lack common interests will tend to look to the Government to help them over any obstacles that may arise. (2) Settlers in Alaska, who can go back to a more or less comfortable existence if they tire of Alaska, are apt to take a critical view towards the problems of a pioneer community, whereas men and women who have definitely cut their ties with the past, who feel that they must make their new life a good life or die in the attempt, are more likely to face the hardships and to endure the sacrifices which the fashioning of that good life demands. (3) A community based upon diversified industrial occupations is likely to appeal to the diverse aptitudes and interests that emerge in any human group, and will therefore utilize available human resources to the fullest degree, whereas a settlement based purely on

agriculture is likely to result in waste of human energies and an inadequate income base. This difficulty is present in agricultural settlements generally but is even more serious in Alaska because of the long winters than it is of agriculture in other parts of the world. (4) Settlements which depend upon commerce with the United States, if situated in the southernmost portion of Alaska, enjoy a great transportation differential advantage over settlements farther north or in the interior. This is not true of agricultural areas producing for the limited market of the Alaska railway-belt; within that market areas on the railroad, of course, have all the advantage. (5) The most important capital in a pioneer community is the industry and initiative of the settlers. Those who say that Metlakatla was able to succeed because it was given valuable fishing rights around the shores of Annette Island, forget that these rights were of no commercial value when the Metlakatians first settled in the area. Fishing rights became valuable because they were developed. So now it may be said that there are hundreds of islands off the coast of southeastern Alaska, many of them much larger than the largest of the Annette Islands, which offer today greater promise of potential resources than did the Annette Islands in 1887. These islands which now await settlement may not offer an economic future based on salmon fishing but they undoubtedly contain resources which settlers, imbued with a burning desire to succeed, will discover and develop to the benefit not only of themselves but of the entire national economy.

VIII. THE BASIS FOR FUTURE SETTLEMENT

1. The Economics of Resettlement

Many individuals and organizations interested in the fate of refugees have refused to consider Alaska as a possible place of settlement because it has been fashionable to think of the problem of refugee settlement as a purely agricultural problem, and from this standpoint Alaska is obviously inferior to many tropical and subtropical areas.

Alaska cannot possibly compete with United States agricultural produce in the States, because of the very high cost of transportation. Agricultural development in Alaska is therefore limited, in the first instance, to the Alaska market. Although the total value of imported foodstuffs in 1938 amounted to \$9,806,117 ^{90/} of which probably three-quarters could be locally raised, poor and expensive means of transportation from agricultural areas to the market, the heavy costs of clearing the land and the absence of canneries, creameries, slaughter houses, smoke houses and other marketing facilities all place Alaska-grown products in an unfavorably competitive position with imported produce for many years to come. Except for the advantageously located and equipped Matanuska Valley region, the opportunities of adequate livelihood solely from the land are limited to a relatively small number of settlers.

Aside from marketing handicaps, there are limits to agricultural development that are imposed by climate and geography. The shortness

^{90/} Dept. of Commerce, Bureau of Foreign and Domestic Commerce; "Monthly Summary of Foreign Commerce," (Dec. 1938), p.36

of the growing season makes it impossible to raise many vegetables and fruits, and the amount of rainfall in certain regions makes the preparation of hay and forage for winter feeding expensive. Furthermore, the cost of constructing homes and farm buildings is comparatively high in Alaska. It is natural, therefore, that those who look upon the problem of settlement purely in agricultural terms should view with greater favor tropical and semi-tropical areas where costs are lower and crop yields are greater.

It is unfortunate that so much of our thinking about human rehabilitation has been blurred by the mirage of land settlement. If men are displaced from industry or displaced from their native lands, it seems a simple solution to settle them on farms. The solution seems particularly simple to city dwellers who think of a farm as a place where nature provides for man and who are not aware of the cost of farm buildings, roads, wells, land clearing, seed, fertilizer and farm machinery. Actually, there are many forms of commerce and industry which require a smaller capital out-lay per person than is required for agricultural settlement.

Behind the popular faith in the farm as a way out for the dispossessed, there is a confused notion that agriculture is a noncompetitive affair, while the establishment of new industry would put people out of work. This notion is wrong at both ends. Every family placed on a subsistence homestead cuts down the already depleted market for farm produce and helps to ruin our farm producers. On the other hand, the placing of men in new industries may stimulate existing related industries to increased production,

while at the same time stimulating agriculture. The expansion of industry in Alaska, based upon the peculiar resources of that country, would not necessarily displace a single worker in the United States but would undoubtedly give a vast stimulus to our existing industries and particularly to our capital goods industries and our shipping industry.

There is another confusion that impedes clear thinking about resettlement. Somehow many think that the industrial, commercial and professional occupations are essentially parasitic and morally inferior to farming. Therefore, they think, the best way to save the souls of the disinherited is to put them on farm land. But man does not live by bread alone. Those who produce the clothing we wear, the books we read and the machinery that saves us from lives of drudgery are not making a lesser contribution to the sum of human happiness than those who add to our agricultural surplus.

The problem of resettlement need not necessarily be viewed as a purely agricultural problem. The experience of Metlakatla, Alaska's most successful resettlement project, is conclusive proof of this point, for at Metlakatla agriculture is distinctly secondary to the fishing industry as a source of livelihood. There is no reason why resettlement should not be viewed in terms of commercial and industrial potentialities, and from this broader standpoint Alaska appears to offer room for settlement on a scale that no other part of the world can approach. It is from this standpoint that comparisons between Alaska and Norway are particularly apt. The agricultural resources of Norway are far less than those of the southern coastal region of Alaska, yet Norway supports a population of 2,814,194 ^{91/} on a

91/ Statesman's Year-Book, (1938) 1930 census, p.1191

far higher standard of living than almost any other European country.

It is of the greatest importance, therefore, that we dispel the false identification between settlement and agriculture. Agriculture in Alaska must remain secondary to the development of industries based upon the vast mineral, timber and aquatic resources of the Territory. Agricultural development should keep step with industrial expansion, in order to keep down the cost of living. The primary basis of settlement, however, must be adequately financed industries based for the present at least, upon wood, minerals, fish and fur.

From this standpoint the most promising area of settlement is the southern coastal region, where transportation costs are at a minimum, where cheap water power is available, and where the raw materials for industrial development are plentiful. A natural course of settlement will begin not too far from existing towns, roads, harbors and airports, and gradually push into the interior at a rate no faster than the increase of population and capitalization may warrant. Such a course of settlement would add to the prosperity of existing towns in Alaska, and at the same time eliminate some of the exorbitant costs that were incurred in the Metlakatla resettlement project by reason of the distance of the project from sources of materials and labor.

2. ALASKA: LAND OF FREEDOM

Those who would send the castaways of dictatorship abroad or of unemployment at home to subsistence farming in tropical lands where settlers would have to compete with or exploit a subject race, sometimes forget that there is a political side as well as an economic side to the problem of resettlement. Men who are seeking a refuge from tyranny will starve if need be, but they will insist upon breathing free air. It may be doubted whether there is any nation of Europe, Africa, Asia or South America with as much free air as Alaska possesses.

Tolerance is the other side of the shield of freedom. The ideal of tolerance in Alaska is not a matter of editorials and Fourth of July speeches. It is rooted in the same conditions of frontier life which gave birth to the ideal of tolerance in the thirteen colonies. In the thirteen colonies political democracy was born out of the willingness of each religious sect to accord political equality to all other sects, and out of the willingness of each national group, English, Scotch, Dutch, French, Swedes and Finns, to recognize the political equality of all other groups. Alaska must seek its population growth as did the United States through immigration, and nowhere in the world today will the immigrant find less racial or religious prejudice. The tremendous industrial and economic advance of our country has been in a very real sense a consequence of the freedom we have allowed to individual initiative and of our national tolerance towards ideas and enterprises that would have been suppressed as revolutionary, dangerous or just plain crazy in a less tolerant society. Thus it is that in our America human beings have been free to develop along many different lines

and each group and each individual has been encouraged to contribute something of value to our common life as a nation. This American attitude of tolerance is nowhere more vigorously maintained today than in Alaska. Nowhere in the world is there a greater degree of liberty for the individual. Alaska is perhaps the last country in the world where a hermit can build a cabin and never see a tax collector. Each community in Alaska from the tiniest settlement of Eskimos to the modern city of Juneau exercises a practical self-government in democratic fashion with a minimum of supervision from Federal or Territorial authorities. Men are on their own and valued for what they are without regard to ancestry or creed. Here there is room and welcome for men and women, whatever their origin, who can bring stout hearts and keen vision to the task of building cities on our last frontier. In the Alaska of the future there is room for men of many talents and of many lands. There will be many American technicians displaced by the contraction of our foreign trade, and the slowing down of our population growth, who will find new opportunities in Alaska. From the shores of the Mediterranean will come boat builders and fishermen. Trained toy makers and machinists, skilled leather workers and cabinet makers from central Europe and workers in wood from north Europe will transplant to Alaska the industries of their native lands. Those who made the mountains, forests and mineral springs of Europe world centers for health seekers, sport lovers and travelers will help to develop the recreational areas of Alaska, its mineral springs and its tourist facilities. Scientists who have learned to extract all possible resources from each square foot of European

soil will discover Alaskan resources greater than any which we now know. Those who have a genius for organizing trade will help Alaska to improve its markets both in the United States and abroad and to solve its domestic problem of the highest cost of living in the world. Hospitality and tolerance based only upon humanitarian impulses may wear away. In Alaska the welcome that is extended to settlers is dictated by the pressing and well understood economic needs of a sparsely settled country with undeveloped resources.

IX BASIS FOR LEGISLATION

The objective of a sane national policy with respect to Alaska must be: the fullest development of the natural resources and human potentialities of Alaska.

To carry out this objective, legislation is necessary. Such legislation, in order to be acceptable to public opinion as reflected in Congress, must meet the following conditions:

1. Finances for Alaskan development must come primarily from private sources.
2. Legislation for Alaska must be in conformity with the interests of national defense.
3. Settlers unsuited to the conditions of life in Alaska or lacking the capital to assure an American standard of living should not be encouraged to go to Alaska.
4. Under present conditions, existing national immigration quotas cannot be liberalized.
5. Alaskan industrial development should follow lines which will not result in competition with, or dislocation of, United States industries.
6. Legislation for Alaska should be in line with the wishes of the people of Alaska.

1. The Task of Draftsmanship.

To formulate legislation that will meet these six conditions is not an easy task. Yet we cannot believe that it is an impossible task. Nor can we believe that democratic statesmanship is incompetent to solve this practical problem.

Without attempting to draft such a bill in detail, we may suggest certain guiding principles which would have to be included in any legislation which, within the limits of the six conditions above enumerated, would contribute to the upbuilding of Alaska's population and resources on a large scale and on a permanent basis.

2. The Problem of Capital.

It will be necessary to raise large amounts of capital from private sources to build homes, shops, mills, and canneries, to clear land, to dig mines, to set up power plants and to help settlers through the first years of settlement. Experience has shown that such capital will not be forthcoming in large amounts on a purely commercial basis. But the American people, despite the cynical estimates of certain foreign observers, are readier to give generously to humanitarian causes than any other people in the world. There are today great industrialists in this country who are ready to sink millions of dollars into the purchase and development of lands in Africa and South America for the building of a new home for refugees from the European dictatorships. There are millions of Americans who are regularly contributing modest sums to aid victims of racial and religious persecution in Europe. These sums would be available, in large part, for the resettlement of these victims of oppression in Alaska on a stable economic foundation. Capital that would otherwise be drained from the United States can be intelligently directed into the greatest of the possessions of this country, thereby

creating a great new mass of purchasing power for the national economy of the United States. Legislation for Alaska, in order to attract this humanitarian capital, must offer the promise of a better life to those whose sufferings have won the sympathy of the American people.

3. The Selection of Settlers.

It would be cruel and senseless to send to Alaska those who are not equipped to face and conquer the difficulties of pioneer life. There must therefore be adequate guarantees that settlers admitted under the proposed legislation will be persons fitted physically and mentally for the occupations which Alaska will offer them. This means that Alaska is not a complete answer to the immediate problem of millions of oppressed Catholics, Jews, and Protestants in the dictatorships of Europe. Many are too old to begin a new existence. Many are trained in trades and professions for which a pioneer country offers insufficient opportunity, and many have been physically maimed or mentally warped by the cruel experiences they have undergone and are lacking in the stamina that life in a pioneer land requires. For these human beings Alaska can offer no hope. But among all the millions who want to escape from the new barbarisms of Europe, there are at least tens of thousands who have youth, health and hope, who are able to engage in the occupations that the new Alaskan economy will demand, who can become happy and loyal Americans and can make significant contributions to our national economy and our national life. Our legislation, then, must provide some mechanism for selecting the best available human material for the new Alaskan economy.

4. Economic Guarantees.

It would be a short-sighted policy that would bring settlers to Alaska without assuring them of a firm economic basis of livelihood. It is essential, therefore, that settlement shall conform to the limits of economic opportunity. Our legislation must provide that the number of men and women who will be encouraged to settle in Alaska shall not exceed the employment opportunities to be created by the investment of new capital in that Territory. Responsible guarantees must be given that settlers will not become public charges but will find a permanent niche in the new Alaskan economy.

5. The Lines of Alaska's Economic Development.

Immigration to the United States in the past has been unplanned and unguided, with the result that certain immigrant groups have drifted into overcrowded areas and overcrowded occupations. This has occasionally led to serious frictions. These frictions must be avoided at all costs in legislating for the settlement of Alaska. Fortunately there can be no overcrowding in a country where the population of a dozen city blocks in New York is scattered over 586,000 square miles. Physical overcrowding is not a danger, but occupational overcrowding creates many problems. There must therefore be guidance of the lines of economic development to give assurance that the new settlers will not interfere in occupations which are now the support of the resident

population of Alaska, and that the new industries which they develop will not result in unemployment either in Alaska or in the United States. Fortunately the resources of Alaska are very different from those of the United States, and these resources can be developed along lines that will not compete with products of the United States. On the contrary, the products of Alaska are, in large part, products which we now import from Asia and Europe, and their development will help to make the United States economically independent in the event of war. This is particularly true of tin (of which we imported in 1937 approximately 99.9% of our consumption ^{92/}), newsprint (77.3% imported ^{93/}), herring (94.4% imported ^{94/}), canned crab meat (94.4% imported ^{93/}), and various types of fur, leather, paper and wood products which we now import from European and Asiatic sources. It is possible therefore to incorporate into legislation for the development of Alaska appropriate limitations upon the type of industry to be fostered which will protect existing industries in Alaska or in the United States against any possibility of dislocation through overproduction.

92/ Bureau of Mines, U. S. Department of the Interior, Statement, April 1939

93/ Dept. of Commerce, Bureau of Foreign and Domestic Commerce.
(Percents calculated from figures quoted April 1939).

94/ Harrison, R. W., op. cit. Table 2

6. The Public Purpose Corporation.

In order to utilize the advantages of private capitalization under safeguards designed in the public interest, modern law has revived the mechanism of the "public purpose corporation." Examples of this mechanism today are our limited dividend housing corporations, privately financed but operating under guarantees in the public interest which are accepted as part of the corporate charter. It is interesting to note that this was the historic form taken by the most successful agencies of colonization in modern history. It was the Hudson's Bay Company that developed most of Canada; it was the East India Company that was responsible for British development of India; it was the London and Plymouth Companies that transformed the wilderness of the Atlantic Coast into the Thirteen Original Colonies. Some such mechanism may serve a similar purpose in meeting the problem of Alaskan development. Our legislation might provide for the organization of Alaska development corporations, privately financed, but bound by the terms of their charters of incorporation to conform to such conditions as Congress might prescribe with reference to the type of industry to be developed in Alaska and the type of settler to be admitted. The corporate charter might likewise contain limitations upon the amount of income returnable to stockholders and bondholders, so as to insure that the corporation will serve its original purpose of aiding in the development of Alaska and will not become, as so many industrial corporations

in Alaska have become, merely a means of draining the wealth of Alaska to the pockets of absentee owners. Finally, the legislation might specify that interested agencies of Government, such as the Interior Department, the War Department, and the University of Alaska, should nominate a certain number of directors in any corporation formed for the development of Alaska. Such directors could serve as liaison officers to insure adequate enforcement of corporate obligations and to facilitate governmental cooperation with the corporation in the furnishing of technical information and other fields in which the Federal Government is competent to aid industry.

7. The Problem of National Defense.

The maintenance of defense forces in any area depends upon the existence of roads, harbors, warehouses, shops, hospitals, airports, water systems and other necessities of life, of communication and of transportation. These things we take for granted in developed country. In a wilderness they present a serious military problem.

From the standpoint of national defense any plan which results in increasing the population of Alaska and in providing a stable economic base for that increased population will contribute to the solution of a central problem of national defense.

A practical plan for the development of Alaskan resources should pay particular attention to the problem of national defense. Corporations set up for the special purpose of developing Alaskan resources might very well be required to have upon their boards of directors one or more representatives of the War and Navy Departments.

In the interests of national defense the type of settlers brought into strategic areas should be subject to careful examination so as to exclude persons whose prime loyalty is to a possible enemy. It should be possible to settle this strategic area with people who have been aware by bitter personal experience of the threat to humanity which dictatorships abroad embody.

Special safeguards should also be considered to insure that at least the voting control in any corporation set up for the settlement of Alaska should be in the hands of American citizens. With such safeguards carefully worked out, the proposed settlement projects, without being in any way militarized, might nevertheless serve as a solid bulwark in the defense of Alaska against Asiatic aggression.

8. Immigration Laws.

It is only natural that the American people, like every other people, enjoy a sense of superiority towards all foreigners. Certainly this sense of superiority has been richly nourished by the conduct of European and Asiatic nations during the past twenty-five years. There is a common feeling that the less we have to do with foreigners the better off we will be. So long as this feeling exists our humanitarian sympathy for the plight of refugees will probably not suffice to liberalize existing immigration quotas.

There are wide differences of opinion on the economic effects of immigration. The popular notion that increased immigration will necessarily

result in lower wages has been severely criticized. Stopping immigration, after all, has about the same effect on wages and production as has a falling birth rate, a plague or a civil war. Each of these events not only reduces the number of potential workers but also reduces the number of potential consumers and the number of potential jobs. A good deal of evidence can be adduced to show that immigration into the United States has always developed new industries. But whatever the economic facts may be, they do not suffice to refute a feeling, and so long as the American people feel that they don't want to increase the number of foreigners admitted to the United States, plans to increase immigration quotas are probably doomed to defeat.

If we segregate the problem of Alaska from that of the United States generally, we find that neither the people of the United States nor those of Alaska object to immigration into Alaska, if such immigration is adequately financed from private sources and if such immigrants stay in Alaska. The difficulty arises because the people of Alaska do not want Alaska to be put in a position of legal inferiority to the United States. If Alaska were simply exempted from immigration quotas it might be overrun with immigrants entering the Territory only with the hope of subsequently moving to the United States. If such movement were freely permitted, the United States immigration quotas would be nullified. If such movement were prohibited, Alaskans traveling back and forth to the United States would then be subjected to special restrictions. Legislation which had any such effect would meet solid resistance, for Alaskans are justly sensitive with respect to any proposal that seems to suggest an inferior status, and the Federal Government is equally anxious not to erect barriers between Alaska and the States.

Here is a practical problem for which it is possible to find a practical solution. We already have on our statute books a guide to such a practical solution. There are certain classes of people who, we think, have a positive contribution to make to our civilization. These classes, e. g., ministers, teachers, students, and citizens of Canada, Mexico, or other Latin-American republics are, under existing law, admitted as quota-exempt immigrants.^{95/} Why should not a similar classification be extended to those persons who, in our opinion, have a positive contribution to make to the development of Alaska? Their contribution to our national existence may be as great as that of classes which are now quota-exempt. They could be subjected to the same conditions applicable to foreign students today, in the way of making regular reports as to their residence and occupation, so as to ensure that they will continue to live in Alaska and to engage in the enterprises for which they were admitted. They could not become citizens so long as they enjoyed their special status, just as foreign students now are not permitted to take out citizenship papers. They could, however, wait their turn on immigration lists just as though they had remained in their native lands, and when that place was reached they might be given the same status as they would have had abroad. Thus, eventually, they might achieve citizenship. Under such a plan, the number of persons admitted to the United States in any year would not exceed present quotas. Through such an adjustment of our quota-exempt categories, Alaska would gain through a stimulus to the immigration of qualified

^{95/} Act of May 26, 1924, sec. 4; 8 U. S. C. sec. 204.

settlers. Prospective immigrants would gain the opportunity of an assured place in the American economy. Immigration to the States could not rise above quota limits; on the contrary, a portion, at least, of the stream of immigration under existing national quotas would, over a period of years, be diverted from eastern cities to Alaska.^{96/}

Possibly other adjustments in our immigration laws may be devised which are preferable to the sort of adjustment outlined above. The procedure outlined, however, does have the very important advantage of safeguarding established quotas, and it is very doubtful whether any procedure that did not include such safeguards would receive serious consideration from this Congress.

9. What Do the Alaskans Want?

We in the United States owe our national independence to a document which enumerates a "history of repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these States." Prominent in this statement of royal abuses are these words: "He has endeavored to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new Appropriations of Lands." (Declaration of Independence, 1776.)

^{96/} If, for example, a German quota of 37,000 in the year 1945 were filled 50 percent by residents of Germany and 50 percent by German settlers in Alaska, and half of the settlers, upon attaining quota status, moved into the United States, the total immigration of Germans to the States would be 27,750 instead of 37,000.

Alaskans themselves are making every possible effort to promote the development of the Territory. In a publication issued by the Ketchikan Journal in 1932, part of the foreword reads:

"Alaska is the largest commonwealth under the Stars and Stripes. Its history is rich in romance. Its wealth is immense. But through all the years its vast area, capable of supporting millions of persons, has been but little populated. It has long been a belief among Alaskans that accurate information about the Territory, spread to the people of the world, would remedy the sluggishness of its advance." ^{97/}

Alaska's friend and historian, C. L. Andrews, says in his book, "The Story of Alaska;" after having discussed Finland, Norway and Sweden:

"Alaska has room for millions -- when they come she will be greater than all those nations. Alaska needs citizens to develop her resources. The decline in her population from 1910 to 1920 was not because of any fault in herself. . . ." ^{98/}

In an editorial from Seward's newspaper, "The Gateway," the following statement appeared:

"The great resources lying dormant in Alaska . . . would, if brought to life, be a strong factor in adding to the life stream of trade. That with the encouragement needed, population would increase and Alaska would take its place with the thriving centers of nations." ^{99/}

The platform of the Republican Party which Lincoln helped to write, in 1864, comes close to presenting the present views of Alaskans, as gathered from the statements of representative Alaskans. That platform declared:

"Resolved that foreign immigration, which in the past has added so much to the wealth, development of

^{97/} Ketchikan Alaska Chronicle, op. cit., foreword.
^{98/} Andrews, C. L., op. cit., p. 238.
^{99/} Seward Gateway (Feb. 25, 1938) Editorial.

resources, and increase of power to the nation, the asylum of the oppressed of all nations, should be fostered and encouraged by a liberal and just policy."^{100/}

It is not difficult to understand why the little handful of settlers now scattered over 586,000 square miles of Alaskan territory should feel as the early colonists felt: that any legislation preventing the migration of foreigners to territory that demands population is injurious and despotic. The people of Alaska are probably more free from racial, national, and religious prejudices than any other people in the world. They are themselves a melting pot of three races, Eskimo, Indian, and Caucasian, and of many religions and nationalities. The first families of Alaska, after the Indians and Eskimos, are Russians; after the Russians come waves of Scandinavians, Anglo-Saxons, Latins, and Eastern Europeans. Tolerance and democracy are natural products of the frontier where a man is appraised for his worth and not for his ancestry. The people of Alaska, then, want to see their land populated and it makes little difference whether this population comes from the United States or from abroad, provided only the settlers who come to Alaska are equipped for Alaskan life in physique, training, interest, and financial backing. In each of the towns of Alaska there is need for stores, hotels, industries, water supply systems, and public improvements, which an increased population could help to build and support.

^{100/} Similar views of Washington, Jefferson, Madison, Cleveland and Alfred E. Smith and similar statements in Democratic and Republican platforms until 1916, are collected in the pamphlet of Louis Adamic, "America and the Refugees" (Public Affairs Pamphlets No. 29).

It is an inescapable moral obligation of the United States towards the people of Alaska to develop Alaska's resources. There are only two ways in which we can do this. One way is to pour increasing millions of dollars into public expenditures in Alaska and to employ Government funds in the development of Alaskan resources. The other way, and a way which conforms more closely to American tradition, is to encourage immigration and private investment as the two bases of industrial development.

X. PLANNING FOR SETTLEMENT

Planning, like prophecy, is a dangerous business, and yet no more dangerous than life itself, for every act of our conscious lives depends upon a vision of future effects, and success in business or government goes to him who can see six moves ahead of the game. Let us, therefore, without further apology, try to forecast at least in general terms the first few moves that must be taken in the development of an Alaskan settlement along the lines of legislation already sketched, profiting as we may from the experiences of Metlakatla and Matanuska.

1. Move No. 1: The Region

Necessarily the first task in establishing a settlement will be the selection of a general area within which the settlers will make their home. The choice of area will determine the type of industry and agriculture that may be developed, and this must be known at the start so that selection of settlers may be made with proper regard to aptitude, interests, and training. Yet it would be unwise to select specific sites too early in the game, for this would undoubtedly result in a sudden increase of realty values where lands are privately owned. The first move must therefore be the selection of general areas for colonization. On the basis of information already analyzed, the following areas would seem to deserve special consideration:

(1) Baranof Island, in Southeastern Alaska, because of its wood, fish, and mineral resources, its warm climate, and the low cost of transportation from Seattle, because of the mineral springs and recreational areas that

are found there, and because the important harbor-town of Sitka offers immediately available sources of provisions, labor, and building materials and offers the first exploring parties a base of operations and a supply of local knowledge on which to draw.

(2) The Kenai Peninsula, because of its possibilities for wood-industries, fur-farming, sheep and cattle raising, agriculture, fishing, big-game hunting and recreational developments, and because of its favorable climate and relative accessibility.^{101/}

(3) The Matanuska-Susitna Valley area, because of its agricultural possibilities, its mineral resources, and its location on the Alaska Railroad, and the accessibility of roads, marketing facilities, hospital facilities, and existing settlements in the Matanuska Valley. (The government settlement project, of course, occupies only a very small part of the total agricultural area in this valley.)

There are probably many other areas that offer attractive settlement opportunities but these three are particularly attractive as starting points for a sustained settlement program because in each case adequate information about resources and geography is available, transportation facilities are assured, and existing towns make the task of explorers and pioneers less arduous.

2. Move No. 2: The People

When once an area for colonization has been selected, the process of selecting settlers should begin. Settlers should be chosen, in the first

^{101/} The harbor towns of Homer and Seldovia and the terminus of the Alaskan Railroad, Seward, are located on this peninsula.

instance, on a basis of fitness for the tasks that await them. In the first stages of settlement, only those prepared for pioneer life should be chosen. When homes, schools and hospitals are built and factories established it will be possible to relax this last requirement. The settlers chosen for any area should include a certain proportion of Alaskans familiar with local problems and sympathetic to the purposes of the settlement. There should also be included a great enough number of citizens of the United States to ensure the assimilation of immigrants and to facilitate their adjustment to American forms of government, educational systems and business methods.

3. Move No. 3: The Planners

The first dozen settlers picked should include men (some of them, at least, residents of Alaska), who are experts in architecture, town-planning, industrial engineering, the purchase of real estate, accounting, and law. They should be dispatched to the area chosen for settlement with full authority to select sites and proceed immediately to secure deeds or options upon the land if it is in private ownership and to arrange for the leasing or filing of claims upon the land if it is publicly owned. This advance guard should be vested with authority to map out settlement plans and to make local arrangements for the purchase of supplies and for the housing of the first settlers. This work might, of course, be entrusted to individuals who will end their connection with the project when their immediate task is done, but there would be a definite advantage in employing, at the very start, some technicians and managers who will be staking their own futures on the correctness of their decisions. Only in this way can the mistakes of remote planning be avoided.

4. Move No. 4: The Student Settlers

While the planning party is making its first arrangements on the ground, the sponsors of the settlement will be continuing the work of selecting settlers and will be sending a picked group of future settlers to school in Alaska to study the resources and the economy of the country, to learn its laws and customs, and to become expert in local methods of farming, stock-raising, mining, fishing, and lumbering. These student settlers will include men and women who have already had special training in geology, soil chemistry, engineering, surveying, public health, animal husbandry, veterinary science, economics, and architecture. They will constitute a corps of explorers to serve under the planning staff, and their studies will be practical studies growing out of the concrete problems of settlement, and designed to produce information on Alaskan problems that will prove valuable not merely to one settlement but to all of Alaska. From these student settlers will ultimately be drawn the technicians of the new industries that the settlement will found.

5. Move No. 5: The Pioneers.

When the planners on the ground have secured land for settlement, pioneers should be ready to report on call for work in Alaska. Certain tasks can be marked out before others. Settlers will need houses, furniture, fuel, food, and roads, whatever else they may need. The preparation of these things is the first task of these pioneers. If the experience of Matanuska teaches anything, it is that the first pioneers must be men who

can build, and live in tents or barracks while they build -- men who can make roads, quarry stone, cut trees, mill lumber, construct houses, clear land and repair machinery. Along with these pioneer builders must go doctors, nurses, bookkeepers, butchers, and bakers, to serve the needs of the infant community as it develops.

6. Move No. 6: The Settlement.

When the first permanent habitation has been built the next wave of settlers should begin gradually to move upon the settlement. Certain occupations must be set up whatever the economic base of the community is to be. There will be a school, churches, stores, a sawmill, a water-system, perhaps a hospital and a library. Even if the settlement is not primarily agricultural, there must be dairies, poultry farms, gardens, and fisheries to assure a cheap and constant food supply. The rest of the work of the settlement will depend upon the resources of the locality and the settlement plan of industrial development. Certain occupations require little preparation and little capital construction. Farm lands can produce fair crops in the first year of settlement. Fur farming, and wool-growing, likewise, can begin to show results in the first year. Occupations like craft furniture and toy manufacture, fur processing and the designing of fur coats, fishing and fish canning, dairying, poultry farming, and the manufacture of leather goods may bring productive returns in less than a year. Those industries which require longer periods of preparation -- paper-making, the production of water power, the operation of hotels, and

the commercial production of such articles as fishing-gear, small boats, furniture, toys, and metal ware, will come into operation gradually in the second, third, or fourth year of the settlement, and will not only take up the slack left by the falling off of construction work, but will create economic opportunities for new waves of settlers. These later settlers will find not a wilderness but a busy American community, managing its affairs of local government according to its own lights, as Alaska law provides, taking care of its school, its sick and its orphans through local taxes, contributing to the Territorial treasury through the payment of production taxes, and enjoying the benefits of the Territorial government in road construction, educational assistance, and a dozen other governmental services. Here will be an American community; each wage-earner will have a job, a home and a mortgage.

In paying back, out of current earnings, the sums advanced by the corporation, the colonists will be renewing the corporate fund that makes possible new settlements. Each established settlement will serve as a center for exploration, industrial development, and road-building. Primary industries will pave the way for subsidiary industries. Progress in road-building, in the furnishing of year-round employment, and in the efficient production of food and consumer goods for local consumption, will reduce costs of production and make possible the profitable development of many new industries which cannot be regarded as immediate possibilities. The number of new settlements will increase each year. The course of Alaskan development, once under way, cannot be stopped, so long as the rest of the

world continues to furnish men and women of character and ability who prefer democracy on the frontier to dictatorship in the midst of Europe's so-called civilizations. For man's brain and brawn applied to the resources of nature is the source of all wealth. The almost unlimited resources of Alaska and the growing army of pioneers eager to settle Alaska if given half a chance promise a golden future.

Sooner or later Alaska will become the Scandinavia of the New World, a living monument to the truth that democracy and tolerance are not only the highest political ideals but also the strongest pillars of economic prosperity. Statesmen who can see beyond the passing moment to the potentialities of the future, humanitarians who can see the problem of resettlement in its broadest terms, and philanthropists who can approach the greatest tragedy of the modern world in a constructive way, will earn the undying gratitude of the Alaskans of the present and the Alaskans of the future, and the devotion of all whose cause is the cause of democracy, tolerance, and freedom.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
MEMORANDUM FOR THE PRESS

FOR IMMEDIATE RELEASE

April 13, 1939

In response to many inquiries as to the possibility of large-scale settlement in Alaska, Secretary of the Interior Ickes today made public a preliminary report of departmental experts solely covering the economic status of the country. Alaska is under the jurisdiction of the Division of Territories and Island Possessions of the Department of the Interior, and as a result hundreds of inquiries have come to the Department from citizens interested in opportunities for settlement in Alaska, from organizations interested in the placement of immigrants to this country, and from investors interested in industrial investment opportunities there. Making the report available, Secretary Ickes pointed out that lack of manpower and lack of capital now stand in the way of the development of the Territory. However, he emphasized that the Department has not made any recommendations with respect to specific settlement plans, and that the problem involves aspects of national defense and immigration completely beyond the jurisdiction of the department.

The report follows:

"Recent statements of the Governor of Alaska and of various civic organizations of the Territory have emphasized both the need of Alaska for a greatly increased population and the importance of adequate private investment as a basis for such settlement. Alaska is one-fifth the size of the United States (586,400 square miles) and its population, according to the 1930 census, totalled only 59,278 persons (approximately half white and half Indian), a

density of one-tenth of a person to every square mile. Sweden, Norway and Finland, lying in the same latitude as Alaska and subject to fairly similar climatic conditions, have a population density of 39.6, 22.59 and 27.3 persons per square mile respectively. These three countries, whose combined area and natural resources are smaller than those of Alaska, support a total population of 12,748,154.

"However, since transportation facilities in Alaska are so limited, many resources cannot at this time be profitably marketed because of the prohibitive cost of reaching roads, railroads, or waterways. Sweden, with an area of 173,550 square miles, has 7,000 miles of railroads, while Alaska, thrice the size of Sweden, has but 509 miles. Wagon road mileage in Sweden totals 38,830 miles against Alaska's 1,978. Because of the transportation difficulties and the vast area of the Territory, the full extent of Alaska's resources has never been determined and there are great sections which have not even been adequately surveyed. Nevertheless, since roads and railroads follow settlement, it is unlikely that there will be any marked increase in Alaska's transportation facilities before population reaches a considerably higher level than where it is today.

"The character of Alaska's present white population does not indicate growth. There are almost two and a half times as many males as females in the Territory. Of the former, an unusually heavy fraction is in the old-age brackets. Sixty-five percent of the marriageable men are single compared with 40 percent in the States, and the birth rate is, of course, very low.

"Alaska contains an estimated 94,000 square miles of agricultural and grazing land, yet until the Matanuska Valley project was established a few years ago, only 14 square miles had been put under cultivation. This has necessitated the importation of 97 percent of the total food consumption; and the cost of transportation has raised the cost of living to an extremely high level compared to that of the United States. For instance, a loaf of bread bought along the railroad line from Anchorage to Fairbanks, Alaska, in 1937 cost anywhere from 18 to 25 cents and the price of milk was 25 cents a quart. In the same year the average cost of bread in the United States was $8\frac{1}{2}$ cents a loaf and milk was $12\frac{1}{2}$ cents a quart.

"There is almost no production of consumer goods in Alaska. Practically all clothing, equipment and supplies must be imported from Seattle, and expensive freight costs bring the prices of such commodities far beyond the purse of the average homesteader. These prevailing high prices have figured as a deterrent factor in encouraging independent settlement despite the unusually generous homesteading laws and the absence of a land tax in Alaska. Many prospective settlers, possessing little beyond the cost of a one-way ticket to Alaska, have found that lack of capital crippled their effort and were subsequently forced to resort to relief. The Territory has discovered that inadequately financed settlement, far from being beneficial, has proven itself to be a severe strain on the finances of the Territory.

"The principal industries in Alaska are fishing and mining, about 80 percent of present employment being concentrated in the

former and 15 percent in the latter. Activities in both are restricted primarily to the summer months. This heavy fluctuation in year-round employment has served to encourage the immigration of nomadic labor during the summer season, and to overload the relief rolls in the winter. This situation is one of double cost to the Territory, since migrant labor tends to carry away earnings at the end of the working period, spending almost none of it in the Territory.

"The value of Alaska's exports, even at this first stage of development, is testimony to the richness of its natural resources. In 1930, the total exports reached the figure of \$49,344,153, equivalent to \$832 for every man, woman and child living in the Territory. However, most of the revenue won by these exports never returns to the Territory since most of the ownership is held by residents living in the United States. The heavy proportion of absentee ownership and migrant labor, the absence of local industry and intra-Territorial trade all reduce the amount of money accumulation in Alaska's banks, which might be available for investment. In 1930, the deposits in Alaska's 14 banks totalled approximately \$14,000,000, or \$236 per person. In the United States, during the same year, our total deposits were equivalent to \$9,408 per person.

"Settlement properly planned and based upon adequate private financing may conceivably bring the following benefits to the Territory:

1. The development of new industries based upon resources which are now going to waste.

2. Increased opportunities for industrial employment in winter months, relieving present relief rolls.
3. Increased local markets for local agricultural produce.
4. The development of transportation, communication and municipal services.
5. Increased production of consumer goods for local consumption.
6. A reduction in the cost of living in Alaska.
7. Rehabilitation of public finances of Territory and municipalities.
8. Increased protection against foreign invasion.

"Settlement in Alaska may have the following advantages for the United States:

1. Heavy purchases of capital goods for new industries.
2. Greatly increased market for consumer goods not produced in Alaska.
3. Development of American steamship lines.
4. Increased strength of Alaskan sector in national defense."

In studying the opportunities for economic expansion of the country, the Interior Department is giving special attention to industries which will:

1. Develop winter work.
2. Increase the permanent population of Alaska.
3. Develop those resources in which the United States is deficient.
4. Develop industries not in competition with existing United States or Alaskan industry.
5. Make use of special skills of prospective settlers.



End of Alaska Project Collection

